

# *The* NATIONAL UNDERWRITER

## *Underwriting*

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This is an Illinois R. B. Jones underwriter giving a producer the benefit of our many years of experience at insuring risks which are out of the ordinary.

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William E. Lersch, Vice-President

**THURSDAY, APRIL 21, 1955**

# LOYALTY GROUP

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 6,504,482.72	Reserve for Losses	\$ 18,869,733.29
Mortgage Loans on Real Estate	965,857.92	Reserve for Loss Expenses	1,641,500.00
*Bonds and Stocks	147,618,784.78	Reserve for Unearned Premiums	54,939,364.59
Interest due and accrued	171,504.67	Reserve for Taxes and Expenses	2,459,097.50
Agents and Departmental Balances	3,799,979.91	Funds held under Reinsurance	
Real Estate	3,213,500.00	Treaties	7,836,740.08
Equity in Marine and Foreign Insurance Pools	9,022,449.11	All other Liabilities	1,104,179.18
All other Assets	1,455,742.29	<b>Capital</b>	<b>10,000,000.00</b>
<b>Total admitted assets</b>	<b>\$172,752,301.40</b>	<b>Net Surplus</b>	<b>75,901,686.76</b>
		<b>Total</b>	<b>\$172,752,301.40</b>

**SURPLUS TO POLICYHOLDERS \$85,901,686.76**

Securities carried at \$3,290,509.33 in the above statement are deposited as required by law.

## GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 598,124.35	Reserve for Losses	\$ 1,971,464.67
Mortgage Loans on Real Estate	1,841.96	Reserve for Loss Expenses	171,500.00
*Bonds and Stocks	13,083,787.60	Reserve for Unearned Premiums	6,113,108.65
Interest due and accrued	34,661.45	Reserve for Taxes and Expenses	284,672.50
Agents and Departmental Balances	935,891.86	All other Liabilities	26,299.08
Real Estate	160,000.00	<b>Capital</b>	<b>1,000,000.00</b>
All other Assets	400,669.59	<b>Net Surplus</b>	<b>5,647,931.91</b>
<b>Total admitted assets</b>	<b>\$15,214,976.81</b>	<b>Total</b>	<b>\$15,214,976.81</b>

**SURPLUS TO POLICYHOLDERS \$6,647,931.91**

Securities carried at \$795,921.11 in the above statement are deposited as required by law.

## NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 701,306.98	Reserve for Losses	\$ 1,971,464.67
*Bonds and Stocks	12,961,657.05	Reserve for Loss Expenses	171,500.00
Interest due and accrued	31,762.10	Reserve for Unearned Premiums	5,739,933.61
Agents and Departmental Balances	1,584,124.81	Reserve for Taxes and Expenses	293,472.50
Real Estate	70,500.00	All other Liabilities	22,734.98
All other Assets	269,713.05	<b>Capital</b>	<b>1,000,000.00</b>
<b>Total admitted Assets</b>	<b>\$15,619,063.99</b>	<b>Net Surplus</b>	<b>6,419,958.23</b>
		<b>Total</b>	<b>\$15,619,063.99</b>

**SURPLUS TO POLICYHOLDERS \$7,419,958.23**

Securities carried at \$1,822,477.09 in the above statement are deposited as required by law.

## MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 704,674.28	Reserve for Losses	\$ 5,351,118.39
Mortgage Loans on Real Estate	349,567.43	Reserve for Loss Expenses	465,500.00
*Bonds and Stocks	36,221,447.38	Reserve for Unearned Premiums	15,579,819.80
Interest due and accrued	66,711.94	Reserve for Taxes and Expenses	803,582.50
Agents and Departmental Balances	2,824,359.57	All other Liabilities	51,729.61
All other Assets	206,228.78	<b>Capital</b>	<b>3,000,000.00</b>
<b>Total admitted Assets</b>	<b>\$40,372,989.38</b>	<b>Net Surplus</b>	<b>15,121,239.08</b>
		<b>Total</b>	<b>\$40,372,989.38</b>

**SURPLUS TO POLICYHOLDERS \$18,121,239.08**

Securities carried at \$2,754,310.37 in the above statement are deposited as required by law.

## ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 34,471.83	Reserve for Taxes and Expenses	\$ 3,863.32
Bonds and Stocks	399,903.86	<b>Capital</b>	<b>100,000.00</b>
Interest Due and Accrued	2,904.58	<b>Net Surplus</b>	<b>362,343.76</b>
Agents and Department Balances	15,526.81		
All other Assets	13,400.00		
<b>Total admitted Assets</b>	<b>\$466,207.08</b>	<b>Total</b>	<b>\$466,207.08</b>

**SURPLUS TO POLICYHOLDERS \$462,343.76**

Securities carried at \$55,801.87 in the above statement are deposited as required by law.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 2,158,645.87	Reserve for Losses	\$ 18,433,961.00
Mortgage Loans on Real Estate	53,792.36	Reserve for Loss Expenses	1,779,775.00
*Bonds and Stocks	43,576,089.40	Reserve for Unearned Premiums	13,366,920.06
Interest due and accrued	121,764.91	Reserve for Taxes and Expenses	1,513,059.00
Agents and Departmental Balances	3,594,144.55	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	141,845.57	Treaties	189,825.78
All other Assets	243,951.19	All other Liabilities	280,587.95
<b>Total admitted Assets</b>	<b>\$49,890,233.85</b>	<b>Capital</b>	<b>2,000,000.00</b>
		<b>Net Surplus</b>	<b>12,326,105.06</b>
		<b>Total</b>	<b>\$49,890,233.85</b>

**SURPLUS TO POLICYHOLDERS \$14,326,105.06**

Securities carried at \$4,440,750.05 in the above statement are deposited as required by law.

## COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 2,038,580.99	Reserve for Losses	\$ 22,082,945.00
Mortgage Loans on Real Estate	450,709.87	Reserve for Loss Expenses	2,100,947.00
*Bonds and Stocks	50,889,280.64	Reserve for Unearned Premiums	15,495,847.68
Interest due and accrued	119,254.06	Reserve for Taxes and Expenses	1,534,026.45
Agents and Departmental Balances	3,701,677.51	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	147,212.23	Treaties	616,139.04
All other Assets	141,118.75	All other Liabilities	157,651.96
<b>Total admitted Assets</b>	<b>\$57,487,834.05</b>	<b>Capital</b>	<b>2,000,000.00</b>
		<b>Net Surplus</b>	<b>13,500,276.92</b>
		<b>Total</b>	<b>\$57,487,834.05</b>

**SURPLUS TO POLICYHOLDERS \$15,500,276.92**

Securities carried at \$1,692,140.80 in the above statement are deposited as required by law.

\*Valuations on basis prescribed by National Association of Insurance Commissioners

## HOME OFFICE

10 PARK PLACE, NEWARK 1, NEW JERSEY

Western Department  
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department  
912 Commerce St., Dallas 22, Texas

Foreign Department  
102 Maiden Lane, New York 5, New York

Pacific Department  
220 Bush St., San Francisco 6, Calif.

Canadian Departments  
800 Bay St., Toronto 2, Ontario  
535 Homer St., Vancouver 3, B. C.



# The NATIONAL UNDERWRITER

59th Year, No. 16  
April 21, 1955

The National Weekly Newspaper of Fire and Casualty Insurance

## Crafts Sees Loss of Headway in Field of Small Insured

**Says Automation, More Frequent Pay, Greater Agent Availability Needed**

WICHITA—The opportunities in property and liability insurance have increased tremendously in recent years, James F. Crafts, president of Fireman's Fund group, told Midwest Territorial Conference here. The potential increase in economic growth and insurance opportunities in the years immediately ahead are even larger.



James F. Crafts

he said.

However, insurers operating through employed salesmen and captive agents have experienced a much larger proportionate growth since 1939 than capital stock insurers operating through independent contractor agents. This presents a challenge, he declared. The tremendous upsurge on the part of underwriters who sell their indemnity through employed agents has two implications.

First, a segment of property owners are not aware of the values associated with the purchase of insurance in private insurers through independent insurance contractors.

Second, that segment considers premium savings in the cost of indemnity as all important.

A century's record of superiority in both service and performance is not enough for the agency system and its companies, he declared.

"If we re-inventory our position, we must face the fact that we have not been getting our story of price and our superior product across through the personal contact medium that has been traditionally our means of access," he said. Saving looms large in the budget of the average family and has been used effectively by captive agency forces of competitors, often without analysis of the owner's insurance needs for development of a sound and permanent protection program.

Mr. Crafts urged agents to give proper consideration to the important group of new, small home owners. They are good citizens and policyholders. They have pride in their home and automobile. They are good credit risks. They can be convinced that the agency system has something attractive and worth while to offer if independent local agents and their companies make a few relatively simple and comparatively unimportant changes in traditional methods of selling and servicing.

It is essential to introduce every la-

CONTINUED ON PAGE 29)

## D.C. Agents Fight Farm Bureau Sales Counter Plan

WASHINGTON—Insurance men here are aroused over the announcement of Farm Bureau group of Ohio that it is opening sales counters in three department stores of Hecht Co. in the area. Douglass Wallop, Jr., president of District of Columbia Assn. of Insurance Agents, has appointed a special committee to study what action should be taken about the matter. The problems involved were discussed at a meeting of the association's trustees.

C. Carney Smith, president of District of Columbia Life Underwriters Assn., indicated the matter is being taken up at a directors meeting April 21. Officials of domestic life companies here also are looking into the matter.

The agents' committee, C. R. Barker Jr., Charles M. Saxelby, Herbert M. Pasewalk, Walter Schilling and Mr. Wallop, is planning to ask the life agents' association to cooperate in a joint action and to get legal advice concerning proposed action.

Insurance Superintendent Jordan has stated that the Farm Bureau program is legal and that no action can or should be taken against Hecht Co. since it merely rents space to the company and is not involved in the insurance transaction.

Mr. Smith is planning to recommend company and individual action to the board of the life agents' group. He said the Farm Bureau-Hecht program "violates the professional concept, lowers the prestige of life insurance, eliminates agent counseling of prospects, and

(CONTINUED ON PAGE 33)

## N. Y. Agents to Meet With No. America on Dwelling Filings

WICHITA—Representatives of New York State Assn. of Insurance Agents will meet with executives of North America April 26 in Philadelphia to discuss the independent fire rate filings of the company on dwellings in New York, Emil Clauss of Buffalo, state national director of the agent group, told National Board of State Directors of National Assn. of Insurance Agents at its midyear meeting here.

The conference was arranged after the association wrote the company that it was interested in resolving the difficulties created by the North America filing. Mr. Clauss said the effort of his group has been to avoid a rate and commission war in the state.

Discussing the independent filings of North America in California on dwellings, churches, schools, etc., Paul Wolcott Jr. of San Diego, president of the California association, said the interest of his group is to preserve the time honored system of fire protection that provides a dollar incentive in the rate. The North America filing requirements that the risk be within 750 feet of a fire hydrant and within two miles of fire fighting equipment that will respond to an alarm are particularly effective in small towns where the rates for protected and unprotected are about the same. It has murdered the small town agent. In the big cities the rate for unprotected properties is about double that for protected.

(CONTINUED ON PAGE 34)

## Fears Autonomy Loss in Effort to Get Uniformity

**Lederer Wants More Voice in Forms; Midwest Agents Elect Engberg**

BY KENNETH FORCE

WICHITA—The fear that with Inter-regional Insurance Conference recommending forms in the interest of uniformity countrywide midwest agents will lose the voice they have had in the development or modification of coverages was voiced by Emil Lederer of Chicago, chairman of the conference



L. D. Engberg



Emil L. Lederer

committee of Midwest Territorial Conference at its annual meeting here. The meeting was held in conjunction with the midyear meeting of national board of state directors of National Assn. of Insurance Agents and attracted a large attendance.

Kent H. Parker, manager of Western Actuarial Bureau, reassured agents that Inter-Regional was soundly conceived in this respect because it permits regional organizations to express their views and to reflect therein the views of the agents in their areas. It is true, he said, that when the business seeks uniformity of form and rule, and this has been sought by midwest agents, the tendency is to lose a certain amount of regional autonomy. In a countrywide objective the midwest's is not the only voice that is going to be heard, he said. However, to particularly midwest views, eastern department executives will continue to listen. Inter-Regional is not promulgating from the top down only but seeks also to express regional opinion.

The conference elected L. D. Engberg of Minneapolis chairman, H. J. Gescheidler Jr. of Hammond, Ind., and B. W. Hopkins of Des Moines vice-chairmen, George A. Timm of Kenosha, secretary, Herbert Matteson of St. Paul, treasurer, and George W. Blomgren, executive secretary of the Minnesota Association, director of conference activities.

There was a big surge of attendance for the speech by James F. Crafts, president of Fireman's Fund, which is treated elsewhere in this issue. About 600 were registered for the meeting, and most of them were in the room for Mr. Crafts.

Clarence H. Metzner of Western

(CONTINUED ON PAGE 32)

## Late News Bulletins . . .

### Roberts New V-P of Marine Office

John Roberts has been named vice-president of the hull division of Marine Office of America, succeeding John N. Robinson who resigned. Mr. Roberts entered insurance in 1940 with the hull underwriting department of Home. In 1943 he joined the hull brokerage department of Marsh & McLennan, later serving as placer of insurance on hull and P&I. In 1951 joined Marine Office as hull and legal liability underwriter and became assistant manager of the hull division in 1953.

### Confer on Private A&H Reinsurance Pool

WASHINGTON—Members of the joint insurance industry committee on health insurance and other representatives of the business conferred this week with Rep. Priest, Tennessee Democrat and chairman of the House interstate and foreign commerce committee, on his suggestion that insurance set up a health reinsurance system as an alternative to the administration's proposal for federal reinsurance of health insurance plans. Mr. Priest was told that the joint committee had been studying the proposed substitute, had reached no conclusion, and is continuing its study of the idea.

### Harriman Wants Law to Compel Auto Coverage

Gov. Harriman of New York wants the next session of the legislature to take effective action to protect motorists against drivers who do not carry liability insurance, he said in a speech delivered by telephone to Mutual Agents Assn. of New York State at its annual meeting at Syracuse. He said that an incomplete survey by the motor vehicle bureau indicated that 9½% of automobiles registered in the state were uninsured, and that when the complete returns are in it appears that the figure will show more than 450,000 uninsured drivers on New York highways. He declared that "grave injustices are done by drivers who carry no insurance and have no financial responsibility." He did not specify what form such legislation might take, but invited the association to make recommendations when the legislature meets next year.

## Smooth, Efficient Session for NAIA State Directors

**Wichita Midyear Covers Much Ground in Non-Controversial Mood**

BY KENNETH FORCE

WICHITA—No one topic stood out for interest or controversy at the mid-year meeting of National Board of State Directors of National Assn. of Insurance Agents here. The feeling of delegates and their treatment of the agenda reflected a restored confidence in their own abilities as agents and in their general approach to insurance distribution, compared with two, three and four meetings ago, when there was great worry about the automobile business, the competition of direct writers and a certain amount of uneasiness about the agency system itself.

The atmosphere here was almost placid. Competent and thorough work by committees and headquarters staff, and the vigor and direction with which the administration under President Joseph A. Neumann kept the program on its course, reduced the need of open meeting debate.

More attention was paid to technical matters of economic interest to agents, such as tax problems, than to political topics.

This is the home region of Kenneth Ross of Arkansas City, Kan., the ex-

ecutive vice-president, and visitors outside the plains states were much impressed by the extremely high winds, the heat, and the hospitality.

It is no secret that there are many who feel that crop insurance is an area that should be occupied by commercial insurance interests, Milton W. Mays of America Fore said in his report of the industry's study of federal crop coverage. This, he said, is not only because of the underwriting potential but also because private enterprise is in a weak position in resisting government encroachment in those areas where commercial capital has not ventured.

The subcommittee of technicians of American Insurance Assn.'s crop in-



J. A. Neumann



Kenneth Ross

insurance committee has submitted a complete outline of a system of crop insurance. This report has been studied and discussed by AIA and will be taken up again at its meeting in Skytop, Pa., in May, Mr. Mays said.

Agents are much disturbed by a ruling of internal revenue service which held applicable to an incorporated agency the personal holding company penalty tax, George S. Hanson, associ-

(CONTINUED ON PAGE 35)

## Texas Senate Passes Another Reform Bill

AUSTIN—The Texas senate by voice has passed another major insurance bill. This one provides for more frequent examinations of new companies, places supervision of the examining force under the full board of insurance commissioners, allows the board to pass upon the competence of company officers and directors, gives the board power to pass on real estate valuations used by companies in figuring assets, and gives each of the commissioners a chief clerk with full authority to act in an emergency. The bill had previously been approved in substance by the house, with senate amendments being described as minor in effect.

Gov. Shivers and chairman Garland A. Smith of the board of commissioners have issued statements praising the legislature for its actions so far in the insurance field. Previously the governor had cracked the whip in an effort to get action on the insurance funds.

The third major bill is the one regulating sales of insurance company stock. It probably will get the greatest amount of attention in the legislature. Also pending are bills to improve insurance liquidation procedures and to strengthen the financial requirements for the organization of life companies.

## Ia. Legislature Passes Fair Trade Bill

DES MOINES—The Iowa legislature has completed action on a number of bills including one setting up an unfair trade practices act for insurance. The bill now goes to the governor. It includes misrepresentations and false advertising of policy contracts; false information and advertising generally; defamation; boycott, coercion and intimidation; false financial statements; stock operations and advisory board contracts; and unfair discrimination or rebates.

The commissioner is given authority to examine and investigate the affairs of every person engaged in the business, hold hearings, subpoena witnesses, and to issue cease and desist orders with injunction proceedings and a judicial review.

The legislature also completed action on a bill to permit companies selling medical and surgical insurance to sell dental insurance; and another bill to permit the sale of group insurance to cover a debtor.

Both houses also passed and sent to the governor a bill increasing the pay of state insurance examiners to \$190 a week for those working out of state and \$150 a week for those working within the state.

## Indianapolis Board Hears Coster on Odor Control

Harley Coster, central Indiana manager for Airkem, described the advantages of odor control after a fire at a meeting of Indianapolis Board April 19. By using proper control methods, Mr. Coster said, merchandise can be salvaged and the business reopened sooner.

R. N. Benjamin, retired executive secretary of Pennsylvania Farm Bureau Cooperative Assn., has been elected a director of the Ohio Farm Bureau insurance companies of Columbus, as has Roy Wood, dairy farmer of Pittsford, Vt.

## Polio Vaccine Creator Wins C. C. Criss Award

Dr. Jonas E. Salk, creator of the Salk polio vaccine, has been named the 1955 recipient of the \$10,000 tax-exempt C. C. Criss award and gold medal given by Mutual Benefit H. & A.

Announcement of Dr. Salk's selection was made by Dr. Charles W. Mayo of the Mayo clinic, Rochester, Minn., who heads the 14-member board of judges.

The award, the largest of its kind in the United States, was established to honor outstanding contributions in the fields of health and/or safety by V. J. Skutt, president of Mutual Benefit, as a tribute to the late Dr. C. C. Criss, founder of the company, now the largest exclusive A&H insurer in the world. Residents of the U. S., Canada, Alaska, Hawaii, Puerto Rico and Canal Zone, where Mutual Benefit is licensed, are eligible for the award.

Dr. Mayo, in announcing Dr. Salk as the 1955 Criss award recipient, said: "The accomplishment of Dr. Salk may well be the greatest contribution to medicine in our generation." Dr. Salk was selected from a field of more than 400 nominees, he said.

## Highlights of the Week's News

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Agent-company cooperation needed, Rexford Crewe says at Nassau county (N. Y.) meeting ..Page 10  
Show leading groups in total premiums written in 1954 ..Page 6  
Functional portion of tax code for agents may remain ..Page 3  
Agent winners in Insurance Advertising Conference contest named ..Page 13  
South Carolina agents discuss public relations at spring seminar ..Page 23  
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Agents not budging in views on auto cover marketing, Joseph Neumann says at Wichita ..Page 9  
Allstate fire filings again rejected in Washington ..Page 9  
Casualty and surety agents' directors have midyear parley at Chicago ..Page 12  
Insurers win retrial in Illinois grain elevator explosion case ..Page 12  
Line up program for annual meeting of American Assn. of General Agents ..Page 4  
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C. W. Burnham offers tips for using time wisely at Washington, D. C., I-Day ..Page 13  
Vermont agents to meet May 16 ..Page 28  
Eugene A. Toale to leave National Assn. of Insurance Agents to join Security-Connecticut as manager at New York ..Page 23  
Federal reinsurance plan is a "give-a-way", Horace Brower says ..Page 5  
Philip M. Winchester traces progress in handling claims at San Francisco I-Day ..Page 5  
Illinois A&H association holds first annual meeting at Peoria ..Page 8  
Polio cover needed until vaccine is widely distributed ..Page 21  
Local board forum will open program at New York agents' meeting ..Page 31  
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## Insurance and Reinsurance

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SYDNEY MONTREAL PHILADELPHIA HONG KONG CHICAGO



## Functional Portion Of Tax Code for Agents May Remain

The possibility that the Senate finance committee may make an effort to amend sections 452 and 462 of the 1954 internal revenue code to eliminate the "windfall" provisions but retain the substantive portions, was reported by Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, before National Board of State Directors at the Wichita midyear meeting.

Mr. Herndon said "politics" and the "windfall" provisions disclosed in the wording of the two sections, which would have allowed NAIA members to spread their income on term business and reserve for future service liability, caused the House to vote to repeal them.

However, he said the House ways and means committee decided to "keep the matter open" by directing a study to bring about, without any "windfall" provisions, the "sound bookkeeping principles" which would have been established under sections 452 and 462.

Among other things discussed by Mr. Herndon in his report were the new local agency method of selling and servicing federal crop insurance, President Eisenhower's health reinsurance program and the atomic insurance problem.

He said that although the local agency method of selling and servicing federal crop insurance "has not yet come up to expectations," Charles Laidlaw, FCIC manager, is still attempting to "work out the bugs."

However, Mr. Herndon said, political pressure may lead to an attempt to force FCIC back to its old production and marketing administration method of operation through county agricultural committees where politics, poor management and loose underwriting practices had caused waste in years past.

The administration is beginning to press for enactment of its health reinsurance program, arguing that most of the objections to previous plans to develop such a program have been dis-

posed of. Mr. Herndon said it is reported that many companies and American Medical Assn., previously the principal opponents of such a program, are now ready to "go along" with the president's proposal.

Atomic energy commission officials have given assurance that the interest of NAIA members in the over-all atomic insurance problem will be recognized. NAIA was also told that "there will be no discrimination of any kind shown in favor of or against any recognized type of insurance operation today."

Mr. Herndon reported that although Congress is apparently remaining "cold" to any adjustment or change in mutual property insurance taxation, the co-op tax picture seems to be "warming up" with a possibility that Treasury Secretary Humphrey may make a recommendation that would provide at least a partial answer to this problem.

The federal trade commission investigation in the A & H insurance field was described as plodding relentlessly along, building up, with the other federal investigations in the insurance

field, "a very real specter of at least partial federal regulation of the insurance industry." Almost every day brings fresh disclosures in Washington of matters of "embarrassment" to state regulation of insurance. Almost all Washington observers agree that the answers to the problems posed by these investigations are within the states themselves.

Apparently, Mr. Herndon said, the administration will be successful, as it was in the group life field, in its promotion of federal employee group A & H

(CONTINUED ON PAGE 22)



## WHO'S a bailee?

*Want to make something out of it?*

A BAILEE is someone to whom goods are committed in trust upon contract (expressed or implied) that the trust will be faithfully executed. And here's how you can make something out of it.

Bailees found in most communities are cleaners and dyers, laundries, radio and TV repair shops and cold storage locker plant operators. When there is extensive loss or damage of customers' goods when in their custody they must — if they want to stay in business — pay the value of the goods to their customers. There's a special Inland Marine policy, called Bailees' Customers Insurance, written for these businesses.

The premiums for this insurance tend to run big. If the reasons for the protection, and the results of not having it, are explained clearly, the prospect will usually buy. And

many of these prospects have never been approached. There are several basic forms and quite a few classes of prospects beyond those mentioned here. Each policy is made to order, however, to fit the needs of the particular business, and each is specially rated.

Our agents have just received a new, complete selling plan on this profitable, little-sold line. The plan is in a new issue of our Agency Sales Bulletin that tells who the prospects are, how to advertise the line and what to say in selling it. A letter to prospects is included in the Bulletin, and a new, attractive, colorful folder is offered.

If you would like to brush up on this money-making line and how to sell it, simply complete and send the coupon. No cost or obligation.

## First Quarter Drop in N. Y. Assigned Risks

Assigned risk applications in New York state are dropping off at the rate of several hundred a day, according to the first quarter report of George J. Schepens, general manager of the assigned risk plan. It is believed that the slump has been caused by the renewed bidding for automobile lines by many stock casualty companies, and improved underwriting picture during 1954. In 1954 assigned risks reached a high of 259,778, a 31% increase.

If the decrease that has been apparent in assignments in the first three months continues, the assigned risks will probably level off to about 100,000.

The annual report of the plan showed that 124,534 new applications were handled by the plan during 1954, decrease of 807. There were also 116,094 renewal assignments, compared with 58,948 the previous year.

The loss ratio to premiums written for bodily injury risks under the plan in 1952, the most recent figures available, was 103.9% and for property damage risks was 81.4%. Allstate, with 25,535 risks, completed more assignments than any other insurer in 1954, and Travelers, with 22,762, was second.



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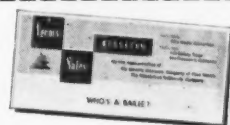
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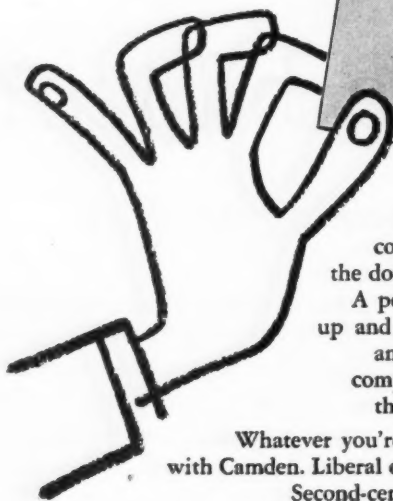
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## Survey of Current PR Would Precede Bigger Program

WICHITA—An immediate comprehensive survey of the public relations effort now being exerted by agents was recommended by the public relations committee of National Assn. of Insurance agents at the midyear meeting of National Board of State Directors here. John C. Stott of Norwich, N. Y., past president of the NAIA and chairman of the NAIA committee on PR, presented the report. The committee is a new one, having been named at the last annual convention of NAIA in Chicago.

The survey should be completed on the state level, Mr. Stott recommended. He said the committee should know what the state associations and local boards presently are doing in the way of PR work. There should be a consensus of opinion of members as to the type of PR that NAIA should undertake. What do agents prefer in way of media to get their story over to the public? TV? Radio? Newspaper advertising Magazine advertising? Or some other form of promotional activity?

The survey should be taken seriously by state associations, he adjured. It should be thoroughly discussed and when NAIA headquarters furnishes the questionnaire, it should be completed promptly, the survey conducted and the results delivered to NAIA within 60 days.

Armed with this information the committee can proceed intelligently with its purpose, which is then to meet with company groups and their associations with the idea of a cooperative effort of an all-industry nature. Mr. Stott said the committee proposes to ask for such meetings within the next month.

It is too late for a naive approach to the tremendous problem of PR, he declared. The first step the association should take is to condition its members to any PR program. Some agents have become accustomed to sitting in their offices with their feet on the desk, waiting for business to walk in. How much different is this from direct writing companies that sell by mail? Some agents mail out their policies, he said. They give no attention to loss adjustments; they do not maintain contact with insured. Is there any reason why direct writers should not make substantial headway in competition with such agents?

There is no magic in PR that will permit agents to service business by

mail. The most a PR program can do for members of NAIA is to help agents help themselves. The best PR program consists of hard work and faith in the business, in the product, and for the agents, faith in themselves, he said.

The PR committee presently is not thinking that the cost of any PR program should be reflected in a dues increase.

He emphasized that a PR program in this business is a tremendous problem. It must be well thought out. He urged the support of all members in the effort to create a better climate in which agents may live and work.

## Line Up Program for General Agents

The program for the annual meeting of American Assn. of Managing General Agents at San Francisco June 19-23 will include addresses by Carl F. Wentz, president of California Chamber of Commerce; J. Douglas Pringle, general manager of Century of London; F. Elmer Sammons, president of Hanover, and James R. Deering, president of Guarantee of Los Angeles.

There will be a boat trip on San Francisco Bay for the visitors and a luncheon and fashion show for the ladies.

## Jefferson of N. Y. Issues \$100,000 More Stock

Jefferson of New York, which writes fire reinsurance under a management agreement with Seibels, Bruce, and inland marine under agreement with Jones & Whitlock, has increased capital and surplus by issuing additional stocks for \$100,000, and by contributing \$50,000 to surplus. This brings the capital to \$1 million. Surplus, amounting to \$961,061 at year end, now exceeds \$1 million. Policyholders surplus now stands at more than \$2 million.

The additional financing will be used to expand operations to include auto physical damage and ocean marine coverage. The company has applied for entry into several states more than the 14 in which it is now licensed.

## Insurance Buyers, Fire Engineers Forum

New York chapters of National Insurance Buyers Assn. and Society of Fire Protection Engineers will hold a joint meeting and open forum April 28 at Hotel Martinique, New York City.

Panel members will be Harry Bunting, manager of Factory Mutual engineering division of New York W. C. Potter, New York manager of Factory Insurance Assn.; Alan L. Kling, assistant safety director of American Cyanamid Co.; Kenneth O. Smith, assistant general manager of New York Fire Rating organization, and Robert L. Strong, manager of the engineering and rate and survey department of Johnson & Higgins.

## N. C. FR Hike Stopped

The insurance committee of the North Carolina senate has unfavorably reported a bill that would have increased limits of the auto liability policy needed to meet requirements of the drivers' financial responsibility act from 5/10 to 10/20. Another bill it reported unfavorably would have required companies to give a written notice of 30 days before cancelling a general liability policy if it had been in effect three years and 90 days in effect five years.

## Agrologist to Talk in S. F.

Casualty Underwriters Club of San Francisco will hear a talk April 21 by Stuart W. Turner, consulting agrologist, on the technical aspects of claims resulting from the use of chemicals and systemics in agriculture.

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## 'WOULD BE SUBSIDY'

## Federal Reinsurance Plan a 'Give-Away', Brower Tells Agents

"A broad segment of the American public is in line to finance all or part of another government-sponsored 'give-away' program—this time in the field of health insurance," Horace W. Brower, president of Occidental Life of California, said at a meeting in Chicago.

Referring to the administration's proposed legislation to provide for reinsurance of voluntary health plans Mr. Brower said the plan is apparently designed to encourage insurance companies to make health insurance available to people who are now too old to qualify, or uninsurable by reason of existing sickness or disability, and people who cannot afford to buy it.

Speaking to 150 of his company's top agents from the midwest and east, Mr. Brower pointed out that if insurance companies placed on the market health insurance that included these uninsurables, (1) higher premiums would have to be charged the entire insuring public or (2) the companies would be forced to operate at losses they could not afford or (3) the taxpayer would be called upon to subsidize the plan.

Prime factors determining premium rates, he said, are amount and fre-

quency of claims, hospital and medical costs, and costs of administration. "Claims, of course, would skyrocket if companies offered insurance to people who for reasons of health are not now considered good risks," he declared.

To keep costs from rising beyond reach of the consumer, the government would establish a \$100 million reinsurance fund to cover 75% of any losses insurance companies might suffer experimenting in this field, Mr. Brower related. "It is generally agreed throughout the industry that any such experimentation program would involve

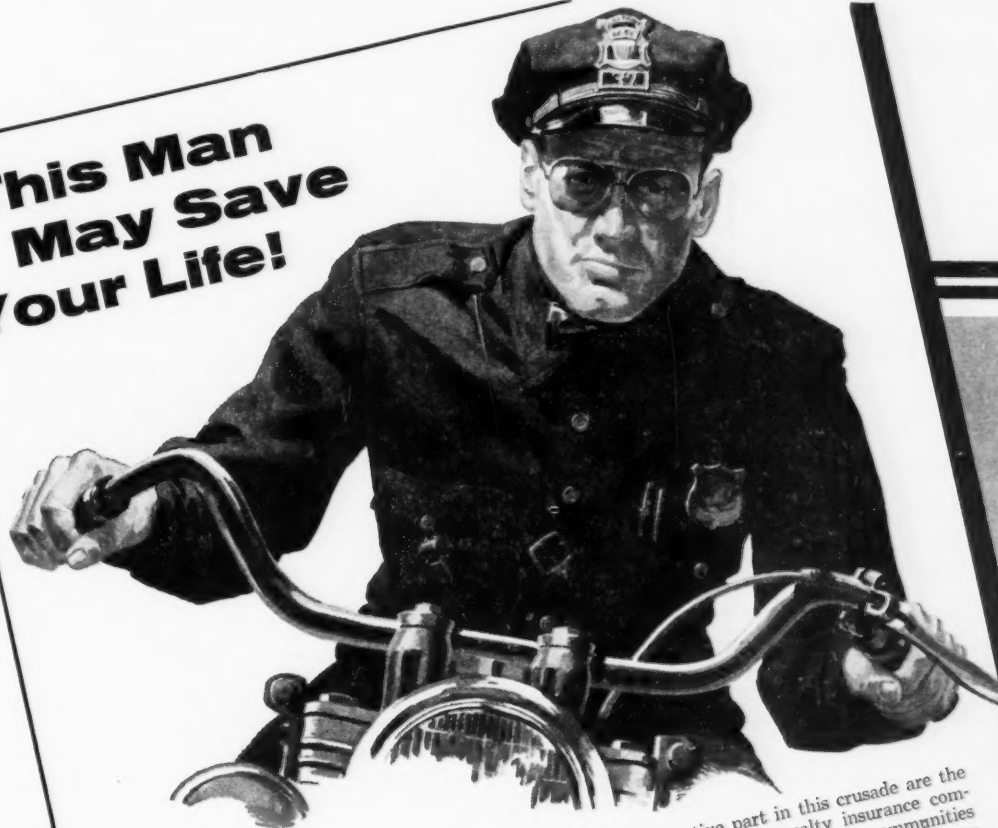
losses—25% to be borne by the insurance companies who would be forced to pass them on to their policyholders—75% paid by the government which historically passes on its losses to the taxpayer."

Our industry has already made tremendous gains in a relatively short span of time, and right now is carrying aggressive experimentation in the health insurance field. For example, deductible plans similar to automobile coverage, coupled with protection from catastrophic losses up to \$20,000 and more are already on the market." Ap-

parently, the sponsors of this reinsurance bill are unaware of this experimentation program now going on, or are unwilling to wait and give us sufficient time to measure the results of the experimental program and devise plans based on this experience, he said.

Mr. Brower declared, "One of the major challenges facing the insurance industry today is the education of the consumer to the realization that he should budget a small amount each year to take care of normal medical costs, and rely on health insurance to protect him from the large losses."

**This Man May Save Your Life!**



## Traces Progress in Handling Claims at San Francisco I-Day

Philip M. Winchester, general manager of General Adjustment Bureau, traced the progress in insurance loss and claims adjustment since the 1906 San Francisco earthquake in a speech at San Francisco Insurance Day. The event was sponsored by the chamber of commerce, commercial club and Pacific Board, and Ernest E. Erickson, secretary-manager of the Pacific Coast department of Fire Association group and public relations chairman for Pacific Board, was chairman.

Mr. Winchester pointed out that before the 1906 disaster, it had been the custom for each company to act independently in handling a claim. In the San Francisco earthquake this procedure was impractical, and an adjustment bureau was established.

He showed that although there has been a vast increase in potential liability since 1906, insurance companies now enjoy the knowledge that disasters can be handled more safely and satisfactorily than ever before. He cited the recent New England hurricanes as examples. According to Mr. Winchester, GAB adjusted 242,682 storm assignments from Sept. 1-Dec. 31 in addition to normal business, which totaled about 230,000 claims.

A feature of the I-day program was the presentation of certificates by Thomas J. Mellon, chamber of commerce president, to seven companies that have operated in San Francisco for the past 100 years. Among the recipients were Northern Assurance, Continental of the America Fore group and the Home.

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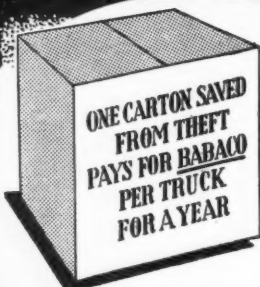
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# Show Leading Groups in Total Premiums

Presented herewith are the leading insurance groups in the United States from the standpoint of total premiums written as compiled by the Argus Chart department of The National Underwriter Co. The ranking shows the standings of the groups in 1953 and in 1954, with premiums exclusive of life business.

1954 Rank	Group	1954 Total Pems.	1953 Pems.	1953 Rank
1	Travelers	538,682,446	507,602,058	1
2	Aetna Life group	402,931,286	383,482,678	2
3	Hartford Fire	336,301,511	336,113,802	3
4	America Fore	278,574,993	291,234,588	4
5	Liberty Mutual	251,926,260	260,702,074	5
6	Ins. Co. of N. A.	250,778,633	238,510,262	6
7	State Farm	232,109,220	188,931,268	9
8	Home	219,973,277	221,834,357	7
9	Allstate	209,227,553	173,613,398	13
10	Royal-Liverpool	208,876,009	211,126,939	8
11	U. S. F. & G.	200,993,782	187,766,430	10
12	Continental Casualty	196,292,337	171,064,827	14
13	Fireman's Fund	191,011,387	181,394,345	12
14	General Motors	168,097,870	186,349,278	11
15	James S. Kemper	163,391,056	162,377,675	15
16	Loyalty	153,465,017	155,509,680	16
17	Farm Bureau, Ohio	135,344,794	127,181,942	19
18	Aetna Fire	132,288,891	127,761,742	18
19	Great American	124,137,526	120,939,889	20
20	St. Paul F. & M.	109,296,194	106,933,190	21
21	Trans-America	102,422,015	100,514,340	22
22	Employers	99,743,406	94,259,311	24
23	Employers Mutual	92,942,794	95,924,213	23
24	Crum & Forster	91,207,406	88,853,443	25
25	General America	87,139,985	84,038,169	26
26	American, N. J.	79,684,695	77,999,706	28
27	General Accident	78,833,795	75,998,632	30
28	American Mutual	77,944,393	83,190,719	27
29	American-Associated	77,337,004	76,771,681	29
30	Hardware Mutls., Wis.	76,702,085	72,552,663	33
31	Phoenix-Connecticut	74,799,648	75,636,476	31
32	National of Hartford	74,724,778	72,426,805	34
33	Glens Falls	71,119,211	72,711,318	32
34	Zurich	67,153,409	67,968,652	36
35	Chubb & Son	60,019,223	61,784,284	37
36	Swiss Reinsurance	58,932,343	57,428,479	40
37	Standard Accident	58,139,596	58,386,641	38
38	Coml. Union-Ocean	57,337,972	57,811,377	39
39	Service Companies	54,231,812	68,565,736	35
40	Springfield F. & M.	50,302,639	53,368,818	41
41	Phoenix of London	48,433,069	48,343,481	43
42	Ohio Casualty	48,328,172	49,713,600	42
43	Fire Association	44,608,323	37,901,734	49
44	Boston	44,124,217	43,379,840	45
45	Northwestern Mutual	42,689,517	40,633,035	47
46	Mich. Mutual Liab.	40,511,780	41,721,670	46
47	American Surety	39,611,274	39,385,735	48
48	General Reins. Corp.	37,343,611	34,741,303	52
49	Employers, Dallas	36,616,662	36,894,766	50
50	North British	36,189,427	35,761,486	51
51	American Casualty	35,715,784	31,605,767	56
52	National Union	35,421,286	34,730,735	53
53	American Fidelity	32,358,734	32,117,170	54
54	Coml. Credit Group	32,100,143	48,325,959	44
55	Corroon & Reynolds	32,004,556	30,635,482	58
56	London & Lanc.	31,671,540	31,798,200	55
57	Utica Mutual	31,130,483	31,032,717	57
58	Western, Kansas	30,065,092	29,147,571	60
59	New Hampshire	29,148,170	29,180,566	59
60	American Reinsurance	27,572,989	27,261,107	61
61	Ohio Farmers	27,374,832	25,076,784	66
62	Atlantic	26,911,665	25,861,674	64
63	New Jersey Mfrs.	26,852,101	24,532,819	63
64	Emeco	26,002,962	27,045,451	62
65	Northern of N. Y.	25,951,615	22,911,136	71
66	Hanover	25,296,352	22,723,486	65
67	Hdwe. Mutual, Minn.	24,854,172	23,652,552	70
68	Providence Washington	24,786,152	25,894,033	63
69	Security, Conn.	24,595,231	24,098,398	69
70	Meserole Group	23,182,733	24,650,795	67
71	Buckeye Union	22,506,154	21,075,978	72
72	Northwestern National	22,140,692	22,163,699	77
73	Hawkeye-Industrial	22,029,401	22,066,991	73
74	Merchanis, N. Y.	21,425,550	21,894,240	75
75	Bituminous	20,351,009	21,311,540	76
76	Pearl American	20,316,983	22,059,148	74
77	Indiana Lumbermens	19,318,929	18,158,134	80
78	Houston F. & C.	19,083,277	15,880,362	82
79	Agricultural	18,906,613	19,235,130	78
80	Gulf, Texas	17,716,927	17,274,060	81
81	Pennsylvania Mfrs.	17,502,638	18,902,741	79
82	Trinity Universal	16,982,231	15,772,637	83
83	Factory Mutual Liab.	16,405,499	15,205,424	84
84	Starr	15,168,614		
85	Sun of London	14,964,846	15,180,401	85
86	Harleysville	14,602,299	13,341,914	88
87	National Grange	14,066,912	14,329,189	87
88	Republic	13,022,741	12,239,663	91
89	London	12,658,546	12,330,900	90
90	Yorkshire	11,898,713	11,381,378	92
91	Northern, Eng.	11,334,868	11,214,210	93
92	Royal Exchange	10,882,391	12,964,708	89
93	Coml. Standard	10,700,568	9,231,494	99
94	Central Surety	10,557,076	11,174,896	94
95	J. A. Munro	10,381,308	10,101,407	97
96	Anchor	9,959,091	10,491,433	96
97	Scottish Union	9,406,403	10,550,711	95
98	Atlas Group	8,987,496	9,466,503	90
99	Reinsurance group	8,302,688	8,122,436	101
100	Selected Risks	8,254,997	7,334,129	106
101	American Indemnity	7,998,702	7,710,752	102
102	St. Louis	7,581,606	7,484,694	105
103	Fester, Fothergill & Hartung	7,580,453	8,450,000	103
104	Ins. Cos. of Tex.	7,534,244	5,758,020	113
105	Millers National	7,486,677	7,573,914	103
106	Norwich Union	6,830,174	6,835,655	108
107	Calif. Compensation	6,821,001	7,514,385	104
108	New Zealand	6,807,047	7,025,605	107
109	Caledonian-Netherlands	6,313,604	6,745,714	109
110	Celina Mutual	6,252,088	6,023,972	111
111	Century	5,821,809	5,888,472	112
112	General Acceptance	5,706,438	5,742,213	114
113	Talbot, Bird & Co.	5,388,252	4,924,188	115
114	Tri-State	5,373,048	6,276,831	110
115	Canadian	5,342,564	2,221,326	122
116	American Equity	3,511,542	3,259,786	117
117	Seaboard Finance	3,283,311	1,977,153	123
118	Twin States	2,436,295	2,448,225	119
119	Appleton & Cox	2,151,197	2,239,662	121
120	National, Omaha	2,143,018	2,392,939	120
121	Suburban Casualty	1,500,548	1,526,603	124
122	Progressive	1,497,949	1,342,116	125
123	Merchants	1,342,855	1,225,864	127
124	Chas. L. Jackman	1,259,855	1,256,677	126
125	Sterling Offices	1,010,893		
126	Agricultural, Wyo.	456,800	385,548	123

## New Montana Adjusters Association Elects Connor

Howard E. Connor of Great Falls has been elected president of the recently organized Montana Assn. of Independent Insurance Adjusters. Other officers are Hugo Dobler of Helena, vice-president, and John R. Cook of Missoula, secretary-treasurer.

The purpose of the organization, which was started almost a year ago, is to provide insurance companies in the state with qualified adjusters having a minimum of five years' experience.

## Two Named in Calif.

Thomas W. Norton has been appointed assistant to the chief of the compliance, and legal division of the California department, and Edward J. Germann has been named associate counsel in the same division. Both will continue to function in the Los Angeles office.

## Newark Home Office Taxes Down

Stock fire and casualty insurers with home offices in Newark this year will pay \$32,735 less in franchise taxes to the city than in 1954 because they are in a sliding scale tax period set up by a 1952 tax relief law.

While American group will pay \$4,840 more than last year, Loyalty group will pay \$32,699 less. Interstate Fire

and Atlantic Casualty will pay \$3,061 and \$1,580 less, respectively. The companies will not reach their basic tax rate until 1961.

## New Pamphlets Available On Safety on Vacations

Assn. of Casualty & Surety Companies has made available a new series of three pamphlets designed to help agents promote vacation safety among their clients.

The first, *Having A Safe Time*, offers tips on accident prevention to vacationers. The second, *Safe Cycling*, gives 23 specific do's and don'ts to the bicycle set and the third gives the lay reader basic facts on the use and maintenance of hydraulic brakes in a car. It's entitled, *It's All in the Brakes*.

Each pamphlet sells for \$1.15 per 100 copies, \$1 per 100 for association members and their agents at the association's accident prevention department, 60 John street, New York.

## Ohioans to Meet in Pa.

Ohio Fire Underwriters Assn. and Fire Prevention Assn. of Ohio will meet June 14-16 at Uniontown, Pa. Eugene Wallworth, Springfield F. & M., is entertainment committee chairman.

## Kochendorfer President of N. Y. Auto Claims Men

Automobile Claims Assn. of New York city elected Howard A. Kochendorfer of Atlantic Mutual president. Other officers are Daniel J. Farrell of Mt. Beacon, vice-president; William A. Paddock of London Assurance, treasurer, and Walter Shaeffer of Sun Office, secretary. James Sherwood of London Assurance was named a director.

Forged signatures, the decipherment of erased writing and typewriting and the examinations of questioned typewriting were discussed by Ordway Hilton of New York City, an examiner of questioned documents and a handwriting expert.

## Compulsory Automobile Seen If D. C. FR Fails

WASHINGTON—Joseph P. Murphy, administrator of the new District of Columbia financial responsibility law, thinks compulsory insurance will be necessary if the new law does not operate satisfactorily.

The same opinion was reportedly expressed to D. C. traffic experts and insurance men by government officials as a result of complaints received by administration leaders and members of Congress.

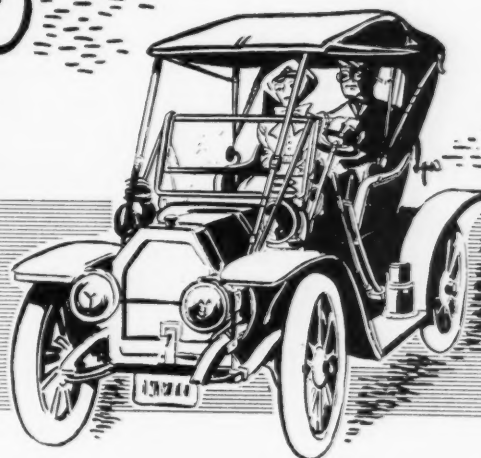


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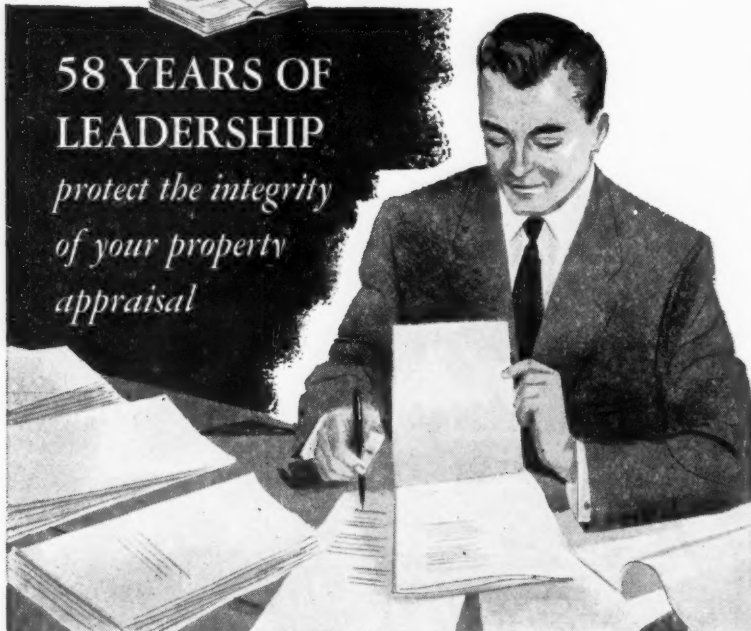
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## Illinois State A&H Association Has First Convention at Peoria

By WILLIAM H. FALTSEK

PEORIA—That the A&H business knows where it stands today and is undertaking its responsibility with an optimistic awareness was clearly brought out at the first annual meeting of Illinois State Assn. of A & H Underwriters here.

The report of the nominating committee was adopted as proposed and William G. Manzelman of North American Accident was elected president to succeed Roy E. Davis, Illinois Mutual Casualty, Peoria. Other officers elected were Irving G. Wessman, secretary Loyalty group, Chicago, 1st vice-president; Raymond M. Case, United Benefit Life, Springfield, 2nd vice-president, and Robert Hines, Mutual of Omaha, Rockford, secretary-treasurer.

James Ross, who brought greetings from the Illinois department, said it is obvious the public endorses A&H since this segment of the business has shown a greater increase than any other in the past few years. When the public knows the rules it will decide what is wanted and will not condone bad practices of any kind. "If you and others in the business forsake the high ideals and standards as represented by this association, the people will look elsewhere," he said. "The A&H business has awakened to its true responsibilities, but you must keep at it. Be enthusiastic but informed, or your success is limited."

E. A. McCord, president of Illinois Mutual Casualty, also welcomed the A&H men.

Leonard A. McKinnon of the McKinnon-Mooney agency, Flint, Mich., president of International Assn. of A&H Underwriters, said in his travels as association president, he has found the A&H agents, while aware of the growing importance of A&H, as a rule do not recognize their own economic power. The A&H salesman should feel he is one of the most important forces in the country, since the business is growing by leaps and bounds and those who sell it are a highly important segment of the economic set-up.

In discussing the place of the International and state and local A&H associations, Mr. McKinnon said the individual belonging to an association develops prestige immediately. He suggested learning the association's code of ethics and living by it and advised carrying a copy of the code at all times. "The public will know you have their interest at heart if they know about the code."

Mr. McKinnon discussed briefly the education, legislation and public relations facilities of the International association. He stressed the need for company cooperation and mentioned a committee which has been formed in Michigan which meets with the insurance department several times a year to discuss various problems. He suggested that this be done elsewhere.

Everybody in the A&H business is fighting the federal health reinsurance bill, he said, since once the federal government moves in anywhere along the line, it is the green light to go ahead. He warned, "Let no government official tell you we just want to lay a floor here." The damage is done then and the government moves in. "The A&H people can feel proud that since the time we have awakened to the

dangers confronting us such tremendous strides have been made. In 1940 a survey showed 60% of the public wanted compulsory A&H while today only 19% want this, evidence of the excellent job that is being done by the A&H people.

Charles H. Gilbert, Madison, Wis., agency manager for Woodmen Accident & Life, said there is "nothing to be afraid of in selling A&H and stressed the importance of cold canvas," since the best way to create new ideas for selling our product is by calling on people, because each and every one can and will ask different questions or give you a different reason why they do or do not need our product.

Four ingredients necessary for success he gave as: Forgetting self; appeal to the prospect; uncover need, and meet plenty of prospects. "Most of us are afraid of ourselves and when we get over this and impress on our subconscious an ambition-picture or goal, nothing will stand in the way of success," he said.

"Never fear to try several methods at the start and you will soon find one that seems to fit with your own personality or that certain something that causes you to make sales. When you strike it, stay with it and do not be afraid to use it over and over. This may sound old to you, but remember it is new to your prospect."

Mr. Gilbert said it is amazing the number of people who have not purchased A & H insurance simply because they have not been approached. Prospects are all over—they simply are not recognized as prospects. "The only way you can see prospects where you never saw them before is simply by meeting people, all kinds of them. And seeing all kinds of people there will, of course, arise all kinds of objections. You really do not begin to sell until someone raises an objection. Don't be afraid of them. Since the beginning of time when anyone has tried to do something to help people to help themselves or do anything for the betterment of mankind, there have been objections."

At the luncheon E. H. O'Connor, managing director of Insurance Economics Society, spoke on current legislation effecting A&H. He said while the goal of all these programs is desirable, the intrusion of the government can be seriously questioned. In the President's health message to congress last January he pointed out a shortage of hospitals, clinic, nursing homes and other such facilities. Mr. O'Connor said, "Let us be sensible and recognize that short of Utopia there will never be enough of these facilities... A saner solution to these problems would be to have the government reduce its spending and its debt and thereby reduce taxes so that people themselves could take care of their own needs. This procedure would be the better way to avoid more statism, which is the major threat of our time."

Turning to the federal reinsurance bill, he said advocates of the plan appear to be impressed by the development of life, fire and other types of insurance which have used adequate reinsurance facilities. Proponents of these fail to recognize that in the health field there is seldom a concentration of risks large enough to require

(CONTINUED ON PAGE 36)



## Agents Not Budging in Views on Auto Cover Marketing

The opposition of organized agents to unilateral commission reductions, continuous policies and direct company billing was reiterated by Joseph A. Neumann, Jamaica, N. Y., president of National Assn. of Insurance Agents, before the midyear meeting of National Board of State Directors in Wichita. He reported for the special auto committee of which he is chairman.

He adjured agents not to let down their guard in the defense against compulsory automobile insurance legislation, and added that it would be a tragedy if the business does not come up with a satisfactory alternative. He pointed out that companies have assured agents the business can solve the problem. He said he would hate to lose the battle by default.

He tackled Boston Indemnity for adopting a marketing procedure which agents consider inimical to the agency system. He said it was the only additional company, upon whose loyalty the agents had the right to count because they have been loyal to it, that has adopted such a marketing procedure in the past year. The procedure consists of an 18% reduction in automobile rates coupled with a 40% cut in commissions. This, Mr. Neumann said, ends in more than 50% less dollar commission for the agent. Of the 18% saving to insured, 70% is contributed by the agent and 30% by the company.

"Out of this imbalance," he said, "I do not think it at all unnatural that our association wants to save the insurance business for the agents, as well as the companies. And the ambivalent position of riding two horses, as respects our system, defies explanation."

He said he believed that some of the pressure in the direction of reduced commissions on automobile business has lessened. The vast majority of the companies have remained loyal to the agency system. The pendulum has reversed—1954 was a good year for the agency companies.

But the pressure has not entirely disappeared because of direct writer competition, he added. Agents and agency companies have a big job to do until the public tries the experiment of mass market insurance and inevitably rejects it. Most agents believe that, price to the contrary, given a better product, the agency system can do the job, he declared. The job agents have performed to date, amply reflected in the annual statements of companies,

is very definitely a positive program to offset direct writing competition, he stated. Accelerated, it could readily be the full answer, in spite of the late start due to the only recent deterrent of lack of capacity.

He said agents are ever ready to explore and recommend progressive steps in the public interest that will not at the same time eliminate the agency system. Agents are sometimes termed reactionaries. He said he tossed that one back where it belongs. If wanting to get a fair return for personal effort is be-

(CONTINUED ON PAGE 31)

## Allstate Fire Filings Again Rejected in Washington

Commissioner Sullivan of Washington has again rejected Allstate's filing of fire rates, rules and forms for dwellings and contents. The commissioner had turned down the filing on three previous occasions.

Mr. Sullivan has ruled that Allstate cannot support the rates at which they propose to write, having had no

previous experience in the fire business. It was also ruled that, though Allstate claims the proposed rates are about 20% below those of the bureau, some of the rates actually differ as much as 63%.

It was pointed out that Allstate has filed a participating policy in Texas and that denial of the filing does not prevent the Allstate from "immediately using a participating policy under present rating procedures in the state of Washington".

Allstate's only recourse is to appeal to Thurston county superior court.

### Making Friends . . . with the Fieldmen



Left to right—Whitney Carlton, State Agent, H. Burton Romig, Gilbert Mason, Richard Abbott, all members of W. W. Lee & Son.



Left to right—Harry Kelly, Special Agent, John M. Walton, II, Partner, Herkness Peyton and Bishop Inc.



Left to right—George G. Margraff, Partner, Eliel & Loeb & Margraff, Harry Tomlinson, Special Agent.

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## Agent-Company Cooperation Needed to Boost Business

Some of the ways close cooperation between agents and companies can benefit the agents as well as the insured were outlined by Rexford Crewe, production manager of Hartford Accident, before Nassau County (N.Y.) Assn. of Insurance Agents.

He said better cooperation will undoubtedly result in more sales, better

coverage, more complete insurance programs, greater ability of the producer to advise as to needed coverages and assist in claims, engineering and other service details.

In addition, the public will have a better understanding of the functions of agents and companies and people will better realize the value of insurance and its importance and the importance and need for the services of an agent.

This can be achieved to a greater extent through agent and company cooperation in:

The agent striving constantly to impress upon the insuring public the importance and value of his occupation through stepped-up public relations work.

The continued establishment of the agent in the minds of the public as a man whose services are in a business requiring special skills and knowledge.

Full use by the agent of the educational facilities available, especially those offered by his company.

Greater use of the services of special agents.

The selling of insurance through surveys.

The more intensive use of company advertising as a means of educating the buying public.

The use of company furnished material for accident reduction campaigns where possible or necessary.

Greater cooperation with the companies in preparing and pre-underwriting the business submitted, especially as respects the obtaining of complete information from the applicant.

Mr. Crewe pointed out the better the agent is educated in the various kinds of insurance he handles the better he can serve the insuring public and the higher his rating in the community. This is especially true if he attends a company school where he will obtain a valuable insight into the overall policies of his major company or companies and thereby build up a stronger relationship and a better knowledge of the problems facing the business which, after all, are the agents' problems, too.

The agent in turn must be the front line in the battle to educate the insuring public, Mr. Crewe declared. He should not be an apologist for his company. As its representative he must strengthen the regard in which he and

it are held by supporting the company in its announced policies even if he does not fully approve.

In the matter of public relations, Mr. Crewe asked: Does the agent take time when possible to appear before local organizations to talk about insurance? Does he try to correct any misunderstandings or misstatements in the local press, either editorial or comments made by persons who are critical of the business? Does he try to cultivate the reporters and editors of his local papers and discuss with them the problems of the business, to win their support—at least to the extent of refraining from critical comments about matters of which they know very little?

And, finally, Does the agent make use of the advice and guidance of the

(CONTINUED ON PAGE 34)

## Anti-Government Owned Bill Introduced In Fla.

Among the bills introduced in the Florida legislature is one that would prohibit insurers controlled or operated by foreign governments from operating in the state.

Other bills would:

Prohibit companies writing A&S from cancelling a policy after five years from issuance except for non-payment of premiums.

Prohibit any employer, labor union or association from making a profit out of any group insurance plan to which employees contribute.

Eliminate A&H insurance from provisions of the insurance adjusters act.

Empower the insurance commissioner to impose a fine for violation of the fire rating laws.

Set up new penalties against uninsured motorists at fault in accidents. If the vehicle involved was borrowed, its owner as well as the driver would lose his license for five years.



*From the diary  
of an Agency Secretary*



Much excitement Tuesday! The Smith place; and Mr. L said it took two alarms before they had it under control. Of course, we wired the company we had on the risk. The adjusters were there by noon, and this afternoon's mail brought a check from PLM. Mr. L says PLM has a strict rule that a check leaves the Home Office within 24 hours of receipt of proof of loss. Heavens, that sounds awfully technical to put in a diary, but Mr. L was so pleased with that PLM check! He took it to Mr. Smith right away and when he came back he was carrying a tiny bouquet of flowers. "For a really efficient secretary," the card reads. I'm sure I didn't do anything, but it did make me feel sort of.... Oh well, 'night, Diary!

### HOW ABOUT YOU, MR. LOCAL AGENT?

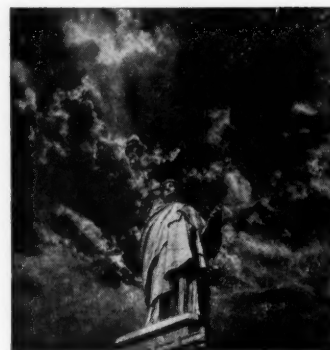
You realize, of course, that prompt claim payment is not only a service to the assured, but a service to you. For nothing sells new business faster than quick claim settlement. PLM has this rule: *No claim (where state laws permit) shall remain unpaid longer than 24 hours after receipt in this office of satisfactory proof of loss.* Why not write us for information about a franchise.

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## N. Y. Savings Banks Group Wants Agent Rider Back in BBB

A special bond committee of the Savings Banks Insurance Forum of New York State favors the reinstatement of the agent's rider under the bankers blanket bond, John Danko, manager of insurance of Central Savings bank of New York city, told the up-state meeting of the forum at Troy.

The insurance committee of the Savings Banks Assn. of New York State has gone on record as opposing the discontinuance of the agent's rider from the BBB and expressed the opinion that a number of banks were satisfied with existing coverage.

Mr. Danko said the bonding companies apparently worked on the assumption that if they discontinued the agent's rider under the BBB "we were going to buy what was offered. This is not so."

With the modern day concept of packaging coverages in one policy the idea of divorcing the agent's rider from the BBB and placing the coverage under a separate policy is retrogression instead of progression, he declared.

The special bond committee feels that the protection offered under the so-called servicing agent's bond is inconsequential and that the coverage afforded under the agent's rider is adequate for the savings banks purposes. The additional protection given savings banks under the contractor's bonds is "the failure to remit for all payments received," he said.

Mr. Danko, a member of the special committee, told the forum that "it is our opinion that the entire lending picture has changed from its initial stages and that the action taken by the bonding companies has been too precipitous. In our mortgage lending program we have gotten over our wild-catting days and are now proceeding cautiously."

He said savings banks are screening their agents carefully before accepting them. Contractors' agreements containing specific acts to be performed by the agent have been signed by both the agent and the lending institution and deviation from the signed contract with intent to deceive with a resultant loss would be a dishonest act and would come under the BBB.

Funds collected by agents are required to be deposited in trust accounts for mortgagees in designated FDIC insured banks, monthly statements and remittances are made to the mortgagee and, a close follow-up is made of arrear items.

Consequently, Mr. Danko said, the potential catastrophic loss which is claimed to have caused the birth of a separate bond has been very definitely minimized. The banks fully realize that should a loss occur they, in addition to the bonding company, will have to spend money to rectify such a situation. Therefore, the savings bank wishes to remove this possibility just as much as the bonding company does.

The committee also feels that if a savings bank is careless in its method of operation in handling out-of-town loans, which it understands is one of the reasons that gave rise to the so-called agents problem, then the bonding company on the line should take that question up directly with that particular bank.

Mr. Danko declared that there is no justification to "penalize those of us

who have carefully screened our agents and instituted proper audit systems. Additionally, there should be taken into consideration the fact that the agent or servicing contractor has a bond in force. Furthermore the amount and type of bond of a servicing contractor is subject to review by mortgagee banks."

He explained that with the foregoing in mind, the special bond committee, with the approval of the National Assn. of Mutual Savings Banks, met with representatives of the bond-

ing business and discussed the situation with them.

The committee presented for consideration of the bonding companies the following: (1) reinstatement of coverage on mortgage servicing contractors to the bond; (2) classification of rate as to type of mortgage servicing contractor and (3) endorsement of mortgage servicing contractors to cover both dishonesty and failure to pay at a reasonable premium.

Other members of the committee are Hazel Ahern of Dollar Savings bank;

James B. Dunlaevy of Bank for Savings; William F. Owens of Emigrant Industrial Savings bank; Paul Smith of American-Irving Savings bank, and Bertram Van Buskirk of Dime Savings bank.

## Citizens Casualty Moving

Citizens Casualty will occupy a 4-story building at 33 Maiden Lane, New York city, Sept. 1 under a 25-year lease. All offices will be housed in the building, now undergoing renovation.

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## Insurers Win Retrial in Ill. Grain Elevator Explosion Case

The Illinois appellate court has reversed a circuit court decision against five insurers held liable on a grain elevator loss, holding the arguments for and against the inference of explosion are equal. The case was remanded for a new trial.

Hulcher Soya Products, Inc., brought the case against Millers Mutual Fire of Alton, Ill., Millers National, Mill Own-

ers Mutual Fire of Des Moines, Michigan Millers Mutual Fire, and Grain Dealers National Mutual. The jury returned a verdict for Hulcher, and a motion of the insurers for a judgment notwithstanding the verdict was overruled.

On July 10, 1951, a loss occurred to Hulcher's grain elevator, a newly erected structure. The elevator was 130 feet high, and was constructed of concrete containing steel rods as reinforcement. The elevator had been put into use in the late fall of 1950, and in July of 1951 there were 18,716 bushels

of wheat stored there. On July 10 a loud noise was heard by witnesses, dust and what appeared to be smoke was seen to rise from the north side of the elevator, and upon examination it was found that the lower third of the north walk was forced completely away and shattered and the balance was dislodged and hanging by the reinforcing rods. Grain was spread over an extended area and pieces of concrete were found as far as 200 feet away.

The insurers claimed the loss was not caused by explosion, against which there was coverage in all of the contracts and before the appellate court they argued that the verdict was against the preponderance of evidence.

The issue was whether the rupture of the wall was caused by explosion.

Witnesses for the insurers testified that the elevator contained no explosive materials, that dampening the wheat in the bins would not cause it to expand but rather to contract in mass, that the only gas that could have been naturally present was carbon dioxide which is inert.

The record, the appeals court said, contained no direct evidence that all the ingredients of an explosion were present in this case. The evidence was circumstantial, and could reasonably support not only the theory of explosion, but that of structural failure caused by the stress of a load of 18,000 bushels of wheat. This latter loss could have occurred independently of whether there was a sudden build up of internal forces or an expansion of air, both of which are necessary factors in an explosion.

Counsel for the insurers was Heinke & Conklin of Chicago.

## Casualty and Surety Agents' Directors Have Midyear Parley

More than 35 of the leaders of National Assn. of Casualty & Surety Agents attended the midyear meeting of the directors last week in Chicago. The dinner Friday evening was attended by more than 60, including wives.

The sessions were conducted at the Ambassador East hotel under the direction of T. W. Earls of Cincinnati, president, and C. F. J. Harrington, executive vice-president and administrative director. All of the officers were on hand, and the majority of directors, as well as a number of prominent members in the Chicago area. The official line-up aside from Mr. Earls and Mr. Harrington consists of Paul Sisk of Tulsa, and J. E. Cochran of Hagerstown, Md., vice-presidents; Alice M. Foy of Joyce & Co., Chicago, treasurer, and Robert F. Stitt of Joyce & Co., secretary.

The discussion included consideration of activities of the federal government in the insurance field, automobile insurance problems including compulsory and unsatisfied judgment funds, the effectiveness of the rating laws from the standpoint of the public, and the administrative processes in the various states. There was considerable discussion of the purchase of group A&H and life insurance and surety bonds by the government.

### Murphey Co. Has Albany Office

Otis A. Murphey Co., adjusters, Atlanta, have opened an office at Albany, Ga., with Harrison Bruce as manager.



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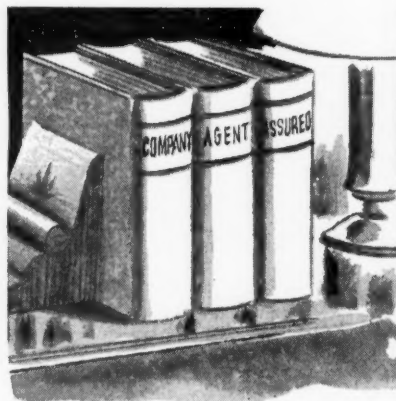
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## Use Time Wisely, Burnham Advises at I-Day in D. C.

Wise use of time is the most important factor in successful insurance selling, Clifford W. Burnham, associate director of Hartford Fire's training center, told agents and company men attending Washington, D. C., I-Day.

He believes that each agent must adjust his own time to best serve his particular needs. Mr. Burnham spoke during the sales forum panel.

Joseph P. Murphy, D. C. financial responsibility officer, was the luncheon speaker and discussed the new financial responsibility law, the plans to administer it and problems involved. He said that the FR law is not the entire answer to the automobile insurance problem, but that it leads to the final answer. He suggested the desirability of a driver improvement program in connection with FR. He also said that the district authorities have determined not to accept stocks or bonds as security, but will take only cash, not checks.

In speaking of the way an agent must train himself to sell, Mr. Burnham said that the prime needs of a salesman are personality, friendliness, good appearance, energy, enthusiasm, and knowledge of the product.

Personality and knowledge will sell little insurance, however, he said, so the agent must plan his work and then work his plan.

Careful planning is essential to the wise use of time, he said. The value of time spent in the office is usually low, and the value of time spent with good prospects and clients in properly selling insurance and rendering good service is high.

He suggested that Saturdays were probably the best time to plan activities for the following week. An agent should look over his suspense file, his prospect file and his renewals. Then he should lay out a full day's work for each day, including about 10 calls on prospects and clients. But he should remember he will not be able to see 10 people every day. Five good selling interviews a day is a good average. This will almost surely result in at least one new line each day. If he is making surveys, he will probably average fewer calls, but more new lines.

When the agent has roughed out his plans for the week, he should plan his Monday activities in detail. Then Monday night he should plan for Tuesday, and so on through the week.

Making personal collections of premiums is a waste of time, he said. If the clients were sold correctly in the first place, they expect to pay promptly, he said. He suggested a collection system of an invoice, statements and collection letters, where needed, leading up to cancellation in 60 days, if not paid. A cancellation notice is the best premium collection device ever invented.

Once an agent has budgeted his time, he should determine how much time he will spend in serving his clients. The most important use of business time for most agents is in giving all his present clients the best service he knows how, Mr. Burnham said. Service is the key to eliminating price competition.

The average personal and small business prospect wants from his agent ability, knowledge, experience and honesty that he can depend on with confidence, especially in placing his insurance with the best insurer at the lowest practical cost. A study of all his

insurance needs and honest, realistic recommendation, showing the degree of importance of each to him, and clearly explaining the coverages and conditions involved, is also desired. He also wants continuous supervision of his account so that changes affecting it will be called to his attention, expert and careful attention to the proper renewal of all policies, and prompt and efficient action in the handling of all claims until they are settled.

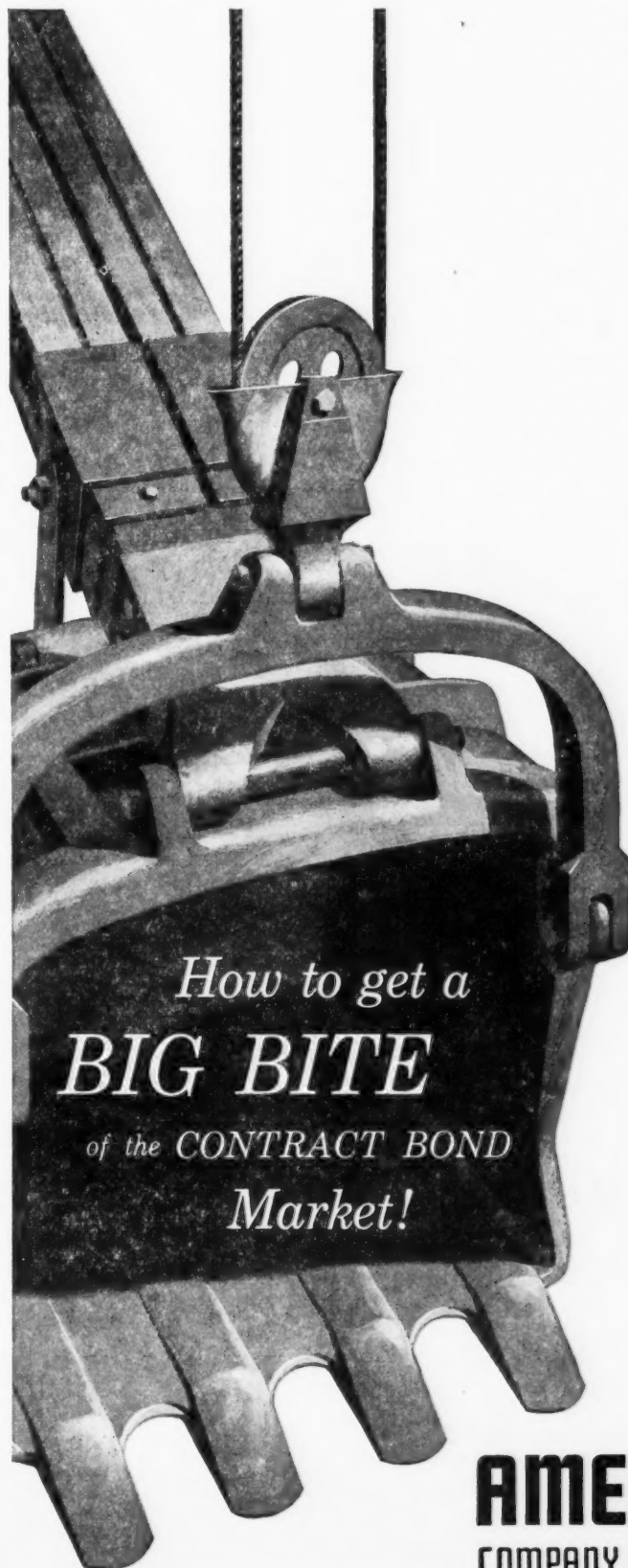
The agent's best methods of convincing good, new prospects that his service is better are surveys, loss control

and rate reduction. An agent can also serve by helping determine the replacement cost, depreciation and cash value of all property to be insured, and by arranging premiums to come due in the amounts and at the times which are most convenient for each client.

Although survey selling is one of the most successful methods, there is much to be said about specialty selling, Mr. Burnham said. When an agent has surveyed all his good accounts, he should review the outstanding recommendations that have not been complied with and then sharpen this need.

One agency he knows starts all its new agents on personal accident insurance and will not permit them to solicit other lines until they have built up a substantial income. These men remain good accident insurance men all their lives, and most of them go on to master other lines in a like manner.

One of the best aids in specialty selling is a loose leaf scrap book, he said. If the agent can obtain local pictures, especially pictures which he has taken himself and about which he knows the background, he can find no better selling device.



How to get a  
**BIG BITE**  
of the **CONTRACT BOND**  
Market!

All signs indicate that 1955 should be one of the biggest years in the history of the construction industry. And insurance agents who want to get a big bite of the Contract Bond business are arranging now to draw on American Surety's experience of more than 70 years in this large-premium field.

Our specialists relieve you of the details with top-notch, on-the-spot help for you and your contractor clients. And our network of 39 strategically located branch offices can provide both local and nationwide service.

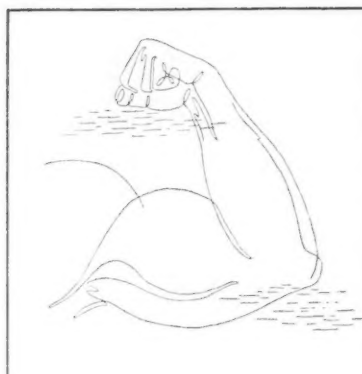
This gives you a *real* opportunity to get a profitable share of this business and of the other lines needed by contractors—such as liability insurance, equipment floaters, valuable papers insurance and fidelity bonds.

Let us tell you how, under a new plan, you can furnish all the bid bonds a contractor may require in one year for only the one first premium of \$5.00. Contact our nearest branch office or write our Agency & Production Department, 100 Broadway, New York 5, N. Y.

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FOR OVER 70 YEARS**

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COMPANY FIDELITY • SURETY • CASUALTY • INLAND MARINE  
HOMEOWNERS • ACCOUNTANTS LIABILITY • AVIATION

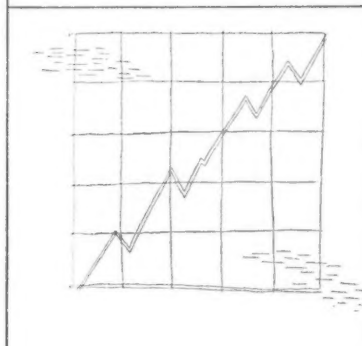
100 Broadway • New York 5, N. Y.



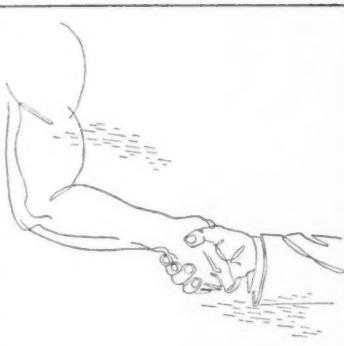
The Kansas City's strength...



...is evident in its financial statement...



...in its consistent record of growth...



and the proof is in its progressive methods of serving its agents.

To build more business ...  
keep more business ...  
represent The Kansas City—  
a progressive company  
for progressive agents.



**Kansas City Fire and Marine**

*Insurance Company*

301 West 11th Street • Kansas City, Missouri



## Reporting Delay Asked By S. C. Probe Group

The South Carolina legislative committee appointed to investigate the office of insurance commissioner has presented a joint resolution to the general assembly for changing the time for reporting its findings to within 30 days after the convening of the assembly in 1956 instead of before the adjournment of the 1955 assembly.

A bill has been introduced that would impose a 25% penalty on any insurance company which fails to pay a loss in bad faith. The penalty would be paid the insured.

Efforts of South Carolina Assn. of Insurance Agents resulted in a withdrawal of a bill that would have taken business away from them. The bill would have put insurance on boilers in all public buildings and schools into the sinking fund under the control of the state budget and control board. It is estimated the bill would have taken away between \$100,000 and \$200,000 in premiums from agents and local boards.

## Aetna Casualty Releases Safety Equipment Film

Aetna Casualty has released an 11-minute film, "One to a Customer," which promotes the use of personal protective equipment by workers. The movie illustrates the different types of industrial safety equipment for both men and women workers and shows the specific hazards each was designed to meet.

The movie is available for showings on a free loan basis from the company's public education department at Hartford, or through its local representatives.

## Brokers Planning Forum On Homeowners Policy

Greater New York Insurance Brokers' Assn. will conduct a forum on homeowners dwelling policy series A, B and C at Hotel Prince George, New York City, April 27.

The forum will feature L. Vaughn Grady, vice-president of Home Indemnity, who will also discuss sales hints. He will be assisted by Charles W. Troeger, a Home special agent. A film on selling the homeowners forms will also be shown.

## Open House Scheduled

An open house will be held April 28 at the new building to be occupied by American Surety's northern New Jersey office at 50 Washington street, East Orange.

## N. Y. Compensation Rate Revision

New York Compensation Insurance Board is developing a general rate revision to become effective July 1, subject to approval of the insurance department.

## Convention Dates

April 21-23, National Assn. of Independent Insurance Adjusters, annual, Edgewater Beach hotel, Chicago.

April 25, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Baltimore hotel, Providence.

April 27-29, National Assn. of Insurance Commissioners, zone 2 meeting, Sheraton-Belvedere hotel, Baltimore.

April 28-29, Ohio Assn. of Mutual Insurance Agents, annual, Neil House, Columbus.

April 28-29, Oklahoma Assn. of Mutual Insurance Agents, annual, Tulsa hotel, Tulsa.

April 29, District of Columbia Assn. of Insurance Agents, annual, Mayflower hotel, Washington, D. C.

May 1-3, Alabama Assn. of Insurance Agents, annual, Tutwiler hotel, Birmingham.

May 1-3, Florida Assn. of Mutual Insurance Agents, annual, Tides hotel, St. Petersburg.

May 1-4, National Assn. of Insurance Commissioners, zone 3 meeting, Seelbach hotel, Louisville, Ky.

May 2-4, National Assn. Surety Bond Producers, annual, Hotel Waldorf Astoria, New York.

May 4-6, American Management Assn., Insurance Conference, Statler hotel, New York City.

May 5-7, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 6-7, Florida Assn. of Insurance Agents, annual, Hotel di Lido, Miami Beach.

May 6-7, Rocky Mountain Territorial Conference, National Assn. of Insurance Agents, Broadmoor hotel, Colorado Springs.

May 8-9, New Jersey Assn. of Mutual Insurance Agents, annual, Hotel Berkeley-Carteret, Asbury Park.

May 8-10, New York Assn. of Insurance Agents, annual, Hotel Syracuse, Syracuse.

May 8-10, Mutual Insurance Agents Assn. of Virginia, annual, Shoreham hotel, Washington, D. C.

May 9-10, Virginia-D. C. Assn. of Mutual Insurance Agents, annual, Shoreham hotel, Washington, D. C.

May 9-11, H & A Underwriters Conference, annual, King Edward hotel, Toronto, Ont., Can.

May 10, Assn. of Casualty & Surety Companies, annual, Waldorf Astoria hotel, New York City.

May 11, National Bureau of Casualty Underwriters, annual, New York City.

May 12, Surety Assn. of America, annual, Hotel Astor, New York City.

May 12, Wisconsin Assn. of Insurance Agents, midyear, Loraine hotel, Madison.

May 12-14, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.

May 13-14, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.

May 16-17, Georgia Assn. of Mutual Insurance Agents, annual, Radium Springs, Albany.

May 18-20, National Fire Protection Assn., annual, Netherlands Plaza, Cincinnati.

May 16, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.

May 18-20, Georgia Assn. of Insurance Agents, annual, Atlanta Biltmore hotel, Atlanta.

May 19, Society of Fire Protection Engineers, annual, Netherlands Plaza, Cincinnati.

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WEST BEND, WISCONSIN

STANDARD—UNIFORM  
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"A" + EXCELLENT



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AN AGENCY COMPANY

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SPECIAL RATES

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# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### Trends in Rate Making Eyed by Magrath; Sees Possible Commission Control

Competition is one factor causing rate making to become a more exact science, Joseph J. Magrath, secretary of Federal, told the in-service training course for examiners of New York insurance department. Mr. Magrath for a number of years was chief of the department's rating bureau.

There is no universal standard by which rates are made, he said, nor is there any plan of rate making that may properly be called permanent, he said. Methods and plans are varied from time to time. Rate making is progressively becoming a more exact science by reason of influences such as increasing competence and sense of fairness among underwriters and rate makers, competition from insurers operating on a participating plan or at independent rates, and statutory supervision.

If the rate level gets too high, it invites cut throat competition, he stated. If it gets too low, it invites insolvency. A reasonable approach to a review of rates for any kind of business involves first a determination whether the rate level is adequate and reasonable in the light of losses and expected losses, expenses and profit. Thereafter, the variations in rates among classes of risks can be studied and corrected where they appear out of line with other rates.

To best understand what is expected of the state in its regulation of rating organizations, it would be well to consider why the state is concerned with insurance rates, Mr. Magrath stated. Since the insurance business or a large segment of it is allowed to eliminate price competition, it must follow that the state should protect the public against abuse of the power of combination which might lead to overpricing and to prevent the overcharging of a quiescent class of business to offset underpricing of a more competitive class.

On the other hand, the state does not intend to have its rating bureaus make rates or underwriting rules. There may be times when the distribution is a nice one, he said. The veto power of the superintendent may be exercised to the point of controlling the final result. However, the courts could grant relief from an obvious abuse.

In the regulation of rates, it should be apparent that the power to prevent excessive profits is not intended to be exercised to avoid the incidence of profit. While it is true that the losses and expenses which enter into calculation of rates should be proper ones, it does not follow that the regulatory authority is privileged to disregard certain losses or expenses on any basis other

than a basis of specified illegality.

It has become apparent in recent years that competition of insurers aids the regulatory authorities in keeping rates reasonable, Mr. Magrath declared. Where price competition is keen, the rating organizations tend to act with promptness to reduce rates on the more profitable classes of business. Reclassification is stimulated when the competitive market selects the better part of a class of business, leaving the poorer part for the so-called standard raters.

It is possible, he said, to forecast developments with regard to some rate making trends. For example, it is not too rash to predict that the fire rating organizations will be drawn gradually toward a more common pattern of schedule rating, more uniform definitions and rate treatment, and eventually, to a standard method of rate making. Underwriting judgment will continue in years, but experienced results will take a more definite place in the countrywide rate making pattern.

The urging by regulatory authorities of a regular use of loss and expense statistics in rate making according to plan should have a degree of success, and yet it is likely that a measure of flexibility will be retained.

Commission control may return in some form. The waste caused by competitive abuses in the payment of excessive commissions may lead to agreement by the industry as well as by regulatory authorities that there

is nothing unsound about fixing the maximum acquisition cost of business.

Commission controls may be fixed by statute or authorized by statute in the form of voluntary agreements. In the latter event, rating organizations or service advisory organizations may function on behalf of the insurer in dealing with this rather complex subject.

(CONTINUED ON PAGE 27)

### Insurance in Mexico Described in Report

The insurance market in Mexico is the subject of an eight page economic report compiled by world trade information service of the Department of Commerce.

The report points out that as of year end 1953 there were 68 licensed companies operating in Mexico, including one each from the United States and Canada. No foreign company has established a branch in Mexico since 1935 when virtually all foreign insurers withdrew following enactment of the general law of insurance companies. However, some foreign companies have an interest in Mexican companies.

Foreign insurers who want to set up subsidiaries, which have to be incorporated under the Mexican law, must have a minimum capital in Mexico of 500,000 pesos for each branch of insurance transacted.

Both foreign and domestic companies, when applying for authorization to operate, are required to deposit 10% of the required minimum capital in a segregated account. The deposit is returned when the application is denied or approved.

The remaining 90% of minimum capital—along with the 10% when returned—may be invested in any securities approved by the ministry of finance for insurance company reserves and, up to fixed limits, in other companies.

The report explains that foreign insurers wishing to operate in Mexico must comply with provisions contained in the general law of mercantile companies and receive authorization from the ministry of finance. In addition, the foreign company must agree to subject all their assets, regardless of where they are located, to answer for any liabilities incurred under Mexican law.

Many additional requirements are listed, including one that unearned premium and loss reserves be maintained and invested in Mexico, and another that foreign insurers must be legally qualified to operate under the laws of their home country and must have been so operating for at least five years.

Among the restrictions on purchase of foreign insurance is one that requires insurance on risks and property located in Mexico be bought only from insurers authorized to do business there.

The report also explains the growth of the business, company investments, and how the Mexican law affects reinsurance, fidelity and surety, crop and livestock, tourists' automobile, and compulsory public transportation insurance.

Copies may be obtained for 10 cents each from U.S. government printing office, Washington.

### Aetna Casualty Safety Movie Wins Top Award

An Aetna Casualty film, "Paddle A Safe Canoe," won the top award as the best safety movie of 1954 at the Golden Reel Film Festival at Waldorf-Astoria hotel in New York city. The festival, sponsored by the Film Council of America, is the 16mm counterpart of the Academy Award competition in the 35mm motion picture field.

The award was presented to James F. Goyette, assistant superintendent of Aetna Casualty's public education department at a banquet at the Waldorf. The company previously won a certificate of merit for the outstanding traffic safety film of 1953.

"Paddle A Safe Canoe" was produced by Aetna Casualty's motion picture bureau in cooperation with the American Canoe Assn. Filmed in color at Lake Sebago in New York, the movie shows the safe way to handle a canoe.

San Antonio Claim Men's Assn. will hold a picnic May 13.

Insurance Square Club of New Jersey will hold its annual dance at Hotel Douglas in Newark April 29. A show is also planned.



"MY GAWD!—THEY HAD UNIFORM ACCOUNTING IN THOSE DAYS, TOO."

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Wasted  
Effort  
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Peerless Agents do a more efficient selling job, because they use Peerless' modern, effective selling tools... the "ORGANIZER" (for the sale of Fire, Casualty and Bonding protection) and "SIMPLIFIER" (for the sale of Fidelity and Surety Bonds)... to sell clients and prospects more complete insurance and surety bond coverages. Nothing is left to chance or memory in these up-to-date selling aids that help agents **sell more, earn more.** Write for details on how these Peerless Sales Tools can be put to work for you!



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## Boston Board Honors Dewick; Black Tells of Growing Market

The growing American consumer market and how the insurance business can benefit from it were discussed by Kenneth E. Black, president of Home, at Boston Board's anniversary dinner at which Frank A. Dewick of the Boston agency of Dewick & Flanders was cited as insurance man of the year.

Mr. Dewick received the Albert Bowker award from John T. Trefry, board president, for outstanding service to the board and the business.

Mr. Black pointed out the rapid rise in the number of family units with cash income after taxes of between \$4,000 and \$7,500 has reshaped the consumer market, that the 18 million family units in this bracket make up two thirds of modern suburbia and the suburban market is a quality market and a major source of desirable and profitable business.

This middle income group is cost conscious and not to be taken for granted by anyone with a service or product to sell, he said. When it is endeavored to interest the suburbanite in insurance protection he must be convinced by the insurers that he is a name, not a number, a friend and neighbor, not a punch hole on an IBM card.

To win his confidence, Mr. Black said, two things must be sold simultaneously: insurance protection as an essential staple in the household and "our own kind of property insurance protection which includes counsel, personal servicing and the swiftest and most effective loss service of its kind in the world."

He declared that it is only by the constant fulfillment of these services that "we can claim a stake in this market, become a valuable and valued member of the community and, in the process, leave the purveyors of cut rate and slot-machine insurance at the rear end of the parade."

Mr. Black said he felt the ever expanding American market "speaks well for our business which, in the years ahead, should be sounder, greater, more progressive than it has ever been."

He pointed out much has happened in the insurance business in the last few years—"changes and events of great significance and moment which will materially influence our way of operating for the next half century. All of these activities—the multiple line concept, for instance, which has left the planning board and is now actively seeking an audience in the field; the application of electronics to accounting, underwriting and loss procedures; the resurgence of personal salesmanship and the efforts to utilize modern merchandising methods in the active solicitation of the business; the competitive threat of those companies operating on a direct writing basis

which have expanded their activity materially, are significant of the changing patterns in our business."

There are, however, two primary influences which currently demand the time and effort of the best minds in the business. One is the necessity of streamlining methods of operation and the intense search for the most practical, efficient way of accomplishing it. The second is the transition to the return to the basics of advanced underwriting, sound investment practices, maintenance of a reasonable expense ratio and effort to publicly establish the independent agent and broker as the most practical, efficient and satisfactory medium of providing property protection.

## Iowa Mutual Agents Elect Fred R. Meyer President

Fred R. Meyer of Aplington was elected president of the Iowa Assn. of Mutual Insurance Agents at its annual convention last week in Des Moines. He succeeds Don Hummell of Oakland.

L. J. Hawley of Laurens was named vice-president, Marc Hintz of Oelwein was chosen secretary-treasurer and Rich Schultz of Des Moines was re-named executive secretary.

## McKernan Succeeds Toale in NAIA; Other Changes

Thomas J. McKernan has been appointed director of education of National Assn. of Insurance Agents, succeeding E. A. Toale, who goes with Security-Connecticut as New York manager. Mr. McKernan joined NAIA in 1953 as assistant educational director. He had been with Atlantic Mutual. He also serves as staff secretary to the property, agency management and educational committees.

George S. Hanson, associate counsel and assistant secretary, now will serve as secretary of the casualty committee, as well as rural and small lines agents and metropolitan and large lines agents committees.

George R. Cross, assistant counsel and assistant treasurer, has been appointed secretary of the fidelity and surety committee, as well as the local board and membership committee he now assists.

## NAUA to Hold Annual

The annual meeting of National Automobile Underwriters Assn. will be held May 25 in New York City. The occasion is the 25th anniversary of the association. The eastern regional meeting, and the president's report will precede a reception and luncheon.

## Cream City Mutual to Build

Cream City Mutual of Milwaukee will build a modern new home office building on West Capital drive between 67th and 68th streets at a cost of about \$200,000.

Beauford B. Paddock, 78, the secretary-treasurer of Central Assurance of Columbus who died Jan. 30, left an estate of \$516,134.

## Reinsurance A. E. STRUDWICK Co.

A. E. STRUDWICK, President  
E. W. BLANCH, Vice-Pres. THOS. M. DARDEN, Vice-Pres.  
810 BAKER BLDG., MINNEAPOLIS 2, MINN.



## Program Completed For AMA's Spring Insurance Conclave

The spring insurance conference sponsored by American Management Assn. will be held May 4-6 at Hotel Statler, New York City.

First day speakers will include William R. Kelly, manager of sales promotion of Sinclair Refining Co., New York, who will tell how to present ideas—the means of management promotion, and Herbert T. Blood Jr. of Boit, Dalton & Church, Boston, whose topic will be improving communication with sources of coverage. The session chairman will be Henry Anderson, insurance department manager of American Broadcasting-Paramount Theatres, New York.

Roy L. Jacobus, insurance department manager of Ford Motor Co., will be chairman of an afternoon panel on getting maximum value from an employee benefit program. On the panel

will be C. Manton Eddy, vice-president and secretary of Connecticut General Life; E. Sidney Willis, manager of employee benefits planning of General Electric Co., New York; Edwin S. Hewitt of Edwin Shields Hewitt & Associates, Libertyville, Ill., and Frazier Wilson, insurance division manager of United Air Lines, Chicago.

May 5 Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, will talk on developments in regulations; Attorney Alfred J. Bohlinger, former New York state superintendent of insurance, will

tell how a former commissioner looks at rates, and Bernard J. Daenzer, secretary of Security-Connecticut, will explain what is happening in multiple line underwriting. Eugene Dougherty, insurance manager of Anheuser-Busch, St. Louis, will be session chairman.

A panel on probing problems of coverage and capacity will be held after a luncheon, with Russell B. Gallagher, insurance department manager of Philco Corp., Philadelphia, as chairman.

Participants will be Joseph H. Forrest, vice-president of Liberty Mutual; Edward G. Lowry Jr., chairman of

General Re, and Lincoln M. Michel, vice-president and secretary of Fire Association.

A question forum will be conducted Friday morning with Mr. Bohlinger, Mr. Forest, Mr. Lowry, Mr. Michel and Mr. Daenzer as members of the panel. Bert W. Nichols, assistant secretary of Standard Oil Co. of Ohio, will be chairman.

The conference will conclude with a luncheon at which Stuart Chase of Georgetown, Conn., author and economist, will speak on the power of words.

## General Accident Opens Office at New Orleans

General Accident and Potomac have opened an office in the Carondelet building in New Orleans and named John J. McCarthy manager. The branch will develop business in Louisiana and eventually Mississippi.

The new office will be separate from the activities of the managing general agents, Godchaux & Mayer, who will continue to represent General Accident in the territory.

Mr. McCarthy entered the business in 1943 with Maryland Casualty in New Orleans and served that company at San Diego and Memphis. In 1951 he joined Black, Rogers & Co., New Orleans agency, whose Monroe office he managed until joining General Accident and Potomac.

## N. Y. Insurance District to Have New Building

Plans for the construction of a 25-story air-conditioned office building, to be known as 120 William street, have been announced by Samuel Friedenberg & Son. The L-shaped building, which will contain more than 200,000 square feet of rentable area, will extend through to an entrance at 79 John street.

The property, at 120-126 William street and 79-81 John street, was acquired by Friedenberg & Son from Employers Liability Assurance, which will occupy 30,000 square feet of the new building under a 20-year lease. During its construction, Employers group will be temporarily located at 75 Maiden Lane and 76 William street.

## Hike in Me., Conn., R. I. in Homeowners Policies

Multiple Peril Insurance Rating Organization is soon to raise rates for homeowners policies A and B in Connecticut, Maine and Rhode Island between 20 and 25%. The increase will bring the cost of the policies into the same relation to the older forms that prevailed before extended coverage rates went up from 100 to 150% at year end.

## N. Y. Assigned Losses Up

Losses assigned to the committee on losses and adjustments of the New York Board totaled \$2,896,033 in March, compared to \$2,336,491 for the same month in 1954. Total reported losses in the metropolitan area for the month included \$2,625,783 from fire, \$253,750 extended coverage and \$16,500 sprinkler leakage. Losses in the New York Board territory totaled \$7,957,458 for the first three months, against \$7,913,039.

# NO NEED FOR THESE...

Not when you have placed your client's foreign insurance through AFIA.

For then you know:

- ... that the protection was designed by experts and carefully fitted to your client's needs.
- ... that the insurance conforms to the laws and insurance requirements of the country where the risk is located.
- ... that it is in the largest and strongest group of its kind in the U.S.A.

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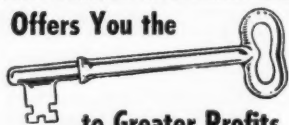
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Fire Association of Philadelphia  
Fireman's Fund Indemnity Company  
Fireman's Fund Insurance Company  
Glens Falls Insurance Company  
Great American Indemnity Company  
Great American Insurance Company  
Hartford Accident & Indemnity Co.  
Hartford Fire Insurance Company  
The Home Indemnity Company  
The Home Insurance Company  
New England Insurance Company  
The Phoenix Insurance Company  
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**THE NATIONAL MUTUAL INSURANCE COMPANY**

in combination with  
**The Celina Mutual Insurance Company**

**Offers You the**



**to Greater Profits**

**With Their ALL NEW**

**COMPREHENSIVE DWELLING POLICY**

This Is The Policy—

1. That you have heard and read so much about
2. That provides
  - Fire and Allied Perils
  - Comprehensive Personal Liability
  - Residence and Outside Theft
  - Personal Property Off Premises
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3. That contains the **BUILT IN** premium discounts
4. That is designed purposely for the Owner-Occupied One or Two Family Dwelling type of risk

**Fire and Allied Perils Required—**

**Other Coverages Optional**

**Packaged For Your Clients Needs**

**Designed To Put You Ahead Of Your Competitor**

**Desirable Territory Open to Qualified Agents**

**(Approved to date in Kentucky, Ohio and Pennsylvania Only)**

**We Invite Your Inquiry For More Details—**

Agency.....

Location.....

**DON'T WAIT ... MAIL THIS AD TODAY TO:**

**THE NATIONAL MUTUAL INSURANCE COMPANY**

Celina, Ohio

**Agent Winners in IAC Contest Named**

Insurance Advertising Conference has named the winners in its annual awards program. They were John W. Kelly agency of Manchester, N. H., Glen D. Heaton of Watertown, S.D., Tom Bartlett agency of North Baltimore, O., Swarm agency of Decatur, Ill., and Shelton & Bowles agency of Dallas. An additional award was voted to Dallas Assn. of Insurance Agents.

Receiving honorable mention were Price Hopkins of Greeley, Colo., Stag Renn of Dallas, Len Eckman of Pitman, N. J., Charles H. Weinbaum, of Beaumont, Tex., Dodson agency of Decatur, Burgess agency of Joplin, Mo., James D. Gilmore of Gilmore agency, Independence, Kan., Moran agency of Oklahoma City, John Bailey Co. of Knoxville, Tenn., Latham-Stevens Co. of Harrisburg, Pa., Muskegon (Mich.) Assn. of Insurance Agents and Trained Insurance Counsellors of Paterson, N.J.

Judges were Joseph A. Neumann, president of National Assn. of Insurance Agents; J. Dewey Dorsett, manager of Assn. of Casualty & Surety Companies; David C. Gibson, vice-president of J.M. Mathes & Co.; John Crichton, executive editor of *Advertising Age*; and A.J. Wohlgemuth, president of Rough Notes, who replaced the company's vice-president, Ralph Morrow, who is ill.

Among those attending the New York city meeting at which the winners were chosen were Harry Carlier of Northern Assurance, president of IAC; Edward V. Schenke of Royal-Liverpool, IAC secretary-treasurer, and Clark W. Smitheman of North America, awards committee chairman.

The winner of the bronze statuette,

the top award in the contest, will be announced at the annual meeting at Claridge hotel, Atlantic City, June 26-28. All portfolios entered in the contest will be on exhibition.

**Univac Explained Before Insurance School Class**

James W. Brasie, electronic representative of Remington Rand, gave a detailed explanation of the company's electronic computer, the Univac, and the application of its commercial system to fire and casualty insurance, as guest lecturer at the electronics course of school of insurance, of Insurance Society of New York.

He also discussed applications programmed for the Insurance Accountants Assn. in 1952. He used data furnished through the courtesy of Paul Synor, secretary-comptroller of North British.

**Holsclaw Takes PR Post With Inland Mutual**

John F. Holsclaw has resigned as deputy state director for fire and casualty insurance for West Virginia to become public relations director of Inland Mutual of Huntington. He held the state post for three years.

Troy W. Cox, who has been in charge of the agents licensing division, is Mr. Holsclaw's temporary successor.

**Me. Tax Bills Withdrawn**

Two bills filed in the Maine legislature that would have set up funds, financed by a tax on fire insurance premiums, for the benefit of injured firemen and dependents of firemen killed on duty have been withdrawn.

**Maryland Casualty in Interbureau**

Maryland Casualty has been elected to membership in Interbureau Insurance Advisory Group, which now has a membership of 116 companies.

*Fire and Allied Lines*

# REINSURANCE

*Pro-Rata and Excess of Loss*

INTER-OCEAN  
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## McFarland Elevated to V-P by American

American of Newark has named John G. McFarland, manager of the western department at Rockford, Ill., vice-president. He will continue to serve as western manager, a post he has held since 1951.

Mr. McFarland entered the business with Kansas Inspection Bureau and joined American as a special agent for Kansas in 1930. He later became state agent there and in Minnesota. He was named superintendent of agencies at Rockford in 1935 and assistant manager of the western department in 1944.



J. G. McFarland

## Countersignature Law Invalidated in Alaska

Commissioner Moore of Alaska has issued an order declaring the countersignature law which went into effect April 1 invalid and unenforceable. The order said that no insurer, agent or broker will be required to comply with the law.

The measure would have required all insurance on Alaska risks to be written either through a resident agent, or, if written by a non-resident broker, to be countersigned by an agent with at least 5% commission to be paid to such resident agent.

## Stewart, Smith to Have Reception April 26 in New Chicago Quarters

Stewart, Smith (Ill.) has moved into its new offices on the 39th floor of the Board of Trade building in Chicago, and on April 26 will have a reception marking the formal opening. This will be from 3:30 to 6:00 p.m. About 500 guests are expected to attend.

The new offices occupy the entire 39th floor and in them has been installed the most modern equipment. A separate air conditioning system will provide ideal working conditions. The entrance foyer and executive offices are paneled with Chinese teakwood.

Of special interest are four plaques in the foyer, made especially for Stewart, Smith by Edgar Miller, the well-known artist. They represent scenes relating to the history of Lloyds, and are titled "Lutine Brig," "Lloyds Subscription Rooms," "Visits of their Majesties Queen Victoria (1838) and King George and Queen Mary (1928)," and "Lloyds London Today." A brochure is being prepared to describe these plaques.

## McElroy Is Promoted by Phoenix of Hartford

Phoenix of Hartford group has promoted George T. McElroy from agency supervisor of the casualty underwriting department at Kansas City to superintendent of the casualty and bonding division there.

## Argonaut Names Walnum

James H. Walnum has been appointed casualty special agent for Argonaut group in northern California. He has been a special agent for Providence Washington at San Bruno, Cal.

## New Zurich Cover Ok'd in 3 States

Minnesota, North Carolina and Texas have approved Zurich-American's automobile death and total disa-

bility coverages written in conjunction with automobile liability policies. The coverages are now available in 34 states and the District of Columbia.

## Oakland, Cal., Agents Plan Dwelling Policies Course

Oakland (Cal.) Assn. of Insurance Agents and East Bay Assn. of Insurance Women are conducting a short course on package dwelling policies. Clifford Bird, special agent for National Union Fire, will be instructor.

The agents are also planning a meeting for discussion of workmen's com-

pensation, April 28, to tie in with a conference on industrial safety, which the association will sponsor. The conference is designed to promote better safety facilities in smaller risks not usually handled by company safety engineers. Donald M. Jones, program committee chairman, and Robert Keller, education committee, are in charge.

## Hadley, Ruzicka Named by American Automobile

Judson B. Hadley, claims manager at Kansas City for American-Associated group since 1948, has been transferred

to the home office claim department as field superintendent. He is succeeded at Kansas City by Edward J. Ruzicka, who has been a claims examiner at the home office for the past two years.

Mr. Hadley started in insurance in 1938 as a claim adjuster with Central Surety at Kansas City. He joined American-Associated there in 1941. Mr. Ruzicka entered insurance in 1935 as a claims adjuster with Utilities Ins. Co. at St. Louis. He joined American-Associated there in 1946. In 1950 he was advanced to claims supervisor and, in 1953, was transferred to the home office.



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## CASUALTY CORPORATION

BITUMINOUS FIRE AND MARINE INSURANCE COMPANY

Rock Island, Illinois

Specialists in Workmen's Compensation

## EDITORIAL COMMENT

### Commissioner Speaks Up for Insurance

There is a growing recognition that the battle of federal vs state insurance regulation may not be won in hearing rooms of the federal trade commission (or some other federal agency) and very likely not by going hat in hand to wait upon federal or Congressional personnel; but that the contest may be decided at the state level. In this connection the story of Commissioner Gillooly of West Virginia is significant.

The real character of the substantial alteration in insurance regulation wrought 10 years ago by the commerce decision is now becoming fully apparent to regulatory authorities and the business. With that decision the Supreme Court took down the "no poaching" signs which the states had been able to keep up and enforce for 75 years, and Congress replaced them with signs reading "no poaching, if".

The 1944 decision declared the ascendancy of the federal government, but Congress very graciously allowed the states to retain their jurisdiction. However, Congress did so with the proviso that the states do an adequate job of regulation. It is now becoming clear that what this means is that Congress will permit the states to regulate insurance as long as Congress, in its wisdom, believes the states are doing a good job. But it will be the judgment of Congress and the federal government as to whether the states are doing an adequate job. And they can exert this judgment at any time, as they have been doing with increasing frequency the last two years.

To the full implications of the change, many of the regulatory authorities have begun to respond in the last year or two. There is an uneasy feeling among commissioners that they may lose some of their jurisdiction. There is inherent in this possibility of losing part of their jurisdiction the threat of losing it all.

In working out a solution at the state level, all of those in the business interested in preserving state regulation are going to have to work together. In several states the business and the regulatory authorities have cooperated effectively in the interest of what they believe to be more effective regulation, and regulation more closely identified with the needs of the people because it is at the local level rather than federal.

Thomas J. Gillooly is a capable insurance commissioner who is trying to do a good job in his state. He found

himself considerably hampered by lack of funds and by out-of-date legislation or lack of laws. He needs good working tools to do a good job.

With these needs pressing him, Mr. Gillooly went to work at the last session of his legislature. He had a program of 10 items, including additional funds to add to department personnel, much needed legislation in the A&H field, the area where the FTC is boring in, and changes that make it possible to discipline insurers and producers in a practical way.

Of this list, Mr. Gillooly got all but one. The success of his efforts to do so were greatly enhanced by the cooperation of the insurance business. The attitude and the assistance of those who worked with Mr. Gillooly made a profound impression upon him because of their sincerity of purpose and their interest in good government for the business. This impression was so strong that Mr. Gillooly plans to canvass West Virginia as a missionary for the business. He has indicated that he will spend a considerable amount of time during the remainder of the year talking to civic clubs over the state on behalf of the insurance business.

This is a unique position for a regulatory official to take, and the effect should be felt for a long time to come by the public and the business.

Mr. Gillooly's is an unusual effort. Yet what could be more natural than for an insurance commissioner to desire a better relationship between the public and the private insurance business, to strengthen the confidence of the public in the large and important business which he supervises and about which he can speak, for the public, with such authority? The public has been told a good deal about insurance rackets. The other side of the story, which is a much truer one, ought to be told, and here is a man who is going to tell it. Why shouldn't the public understand that insurance companies are almost 100% decent and respectable people who want to do a decent and respectable job? Why shouldn't the insurance commissioners be telling the public that there are limitations to the insurance mechanism, perhaps most vividly exemplified in the A&H business; that, as is true in all other human activity, the public gets about what it pays for?

Why not indeed? They should. But Mr. Gillooly is one of the few, if not the only one, to plan it.

The real story of insurance from an insurance commissioner will be regarded with attention and respect. The insurance people themselves could say this, they do not say it enough. But how much more effective when the insurance commissioner says it. This is the kind of program that will keep the federal poachers off the insurance preserve.

## DEATHS

**EUGENE M. RANSOM**, southern department manager of Commercial Union-Ocean group, died at Atlanta. He served as a special agent, assistant manager and manager at Atlanta for Commercial Union and was named group manager for the southern department when its fire and casualty operations were integrated. He served South-Eastern Underwriters Assn. as president and vice-president and was a former director of National Automobile Underwriters Assn.

**WILLIAM E. GRIFFITH**, 68, for 35 years an independent adjuster at San Francisco, died at his home there. He was a past MLG of the San Francisco Blue Goose pond and a member of Insurance Post 404. Mr. Griffith's four sons all died young, his oldest a victim of an automobile accident while out on a loss and his youngest a World War II air force casualty.

**THOMAS W. McMULLIN**, 87, who recently celebrated his 50th year with Western Adjustment at Chicago, died there in his suburban home in River Forest of a heart attack. With Western in a service capacity, Mr. McMullin was the company's oldest active employee in years of service.

**GEORGE A. HAMILTON** of Syracuse, state agent of Northern of New York, died at Syracuse. He was a past president of the Insurance Square Club and a member of the Syracuse Field Club.

**NORBERT M. DALY**, 55, agent at Wisconsin Rapids, Wis., since 1923, died at his home of a cerebral hemorrhage. Mr. Daly started as an agent for Northwestern Mutual Life, later going into general lines.

**GENE WARE**, 56, who operated one of the largest agencies in Covington, Ky., died of a heart attack. Mr. Ware and his wife had just returned from a vacation in Florida.

**JUDGE JAY H. GRIMM** of River Falls, Wis., president of Badger State Casualty Mutual, Milwaukee, died at his home.

**MYRON S. DAVIS**, 57, Northwood, N. H., local agent, died in a Concord hospital after a brief illness.

**WILLIAM F. KRAKE**, 52, Washington manager of Commercial Union-Ocean group, died. He joined the group

in the Boston claim department of Ocean Accident.

**NEIL R. HOWARD**, 92, president of the former Edward P. Hamilton & Co., New York City brokers, died at his home at South Orange, N. J., after a short illness. He had operated the firm 58 years.

**JAMES C. BROWN**, 54, manager of the casualty underwriting department at San Francisco for Standard Accident, died after a heart attack. He joined Standard Accident in 1923, as an automobile underwriter at the home office, after graduation from the University of Michigan. He was transferred to Chicago in 1931 as a liability underwriter and went to San Francisco in a similar capacity in 1934. He was made office manager in 1935 in addition to his underwriting duties and in 1949 he was placed in charge of all casualty underwriting.

**HENRY A. DANIELS**, 84, founder of the Milford, Mass., agency that bears his name, died there. He was retired.

**CHARLES F. OHMER**, 53, St. Louis agent, died there.

### Ill. Agents Plan Series of Eight Regional Meets

Illinois Assn. of Insurance Agents has scheduled a series of eight regional meetings beginning May 10 at Aurora. The others will be at Rock Falls May 11, Galesburg May 12, Champaign May 13, Jacksonville May 17, East St. Louis May 18, Cairo May 19 and Lawrenceville May 20.

The meetings will be identical. In the morning there will be talks on comprehensive general liability, and a skit entitled "The Modern '49-ers."

At luncheon a member of the association will describe the values of membership, and in the afternoon there will be talks on farm liability and compensation and insurance legislation.

### David Tressler Elected V-P of American Mutual Reins.

David L. Tressler has been elected vice-president of American Mutual Reinsurance. He joined the company in 1952 as claims manager and counsel, and has been in the insurance field since 1942, specializing in reinsurance since 1948.

### Name Trembly at Chicago

Robert A. Trembly has been appointed Chicago sales manager for Manufacturers & Merchants Indemnity and its subsidiary, Selective Fire. Prior to joining M. & M. two years ago, Mr. Trembly had been with a mutual company.

### Mich. CPCUs to Meet May 5

Michigan chapter of CPCU will meet May 5 at Detroit to hear a talk by Frank J. Gossinger, Byrnes-McCaffrey, past-president of the Michigan chapter, on aims and goals of CPCU.

#### The NATIONAL UNDERWRITER

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## Polio Cover Needed Until Vaccine Is Widely Distributed

The Salk vaccine for polio can't be given to 160 million Americans all at one time, so there is still a necessity for polio insurance. This is the opinion of Michael Levy, New York city broker who has specialized in polio insurance, especially for children's summer camps, for several years.

Until the distribution of the vaccine is so wide as to make the danger of the disease so rare that even a minor case is a novelty polio insurance will still be practical, he believes.

Progressive insurers, which are considering lowering premiums on polio cover, will probably switch the policies to cover other dread diseases, he said.

Mr. Levy represents Continental Casualty, the company that publicized polio coverage, and at present he has 5,000 to 6,000 polio policies on camps, and about 700 tuition refund and medical reimbursement policies for camps.

People are dropping the insurance, he said, but he is advising his clients to hang on to it until the vaccine has been distributed more widely and in a wider age group than can be possible this year.

Mutual Life of New York has reduced its premiums an average of 5% for polio coverage, but is not changing benefits. This is a reflection of better than expected experience in nearly all lines of risks covered in its hospital expense policies as well as the favorable results of the Salk tests.

John Hancock has reduced its premium rates for group poliomyelitis coverage by as much as 30% since the reports of the results of the tests. The action was based on the success of the vaccine and the improved experience in current losses. At least in part, Clarence W. Wyatt, vice-president in charge of the group department said, this improved claim experience resulted from the test inoculations. Further action will depend on the official reports of the studies, he said.

## Newhouse & Hawley Enter Life, A&S

Newhouse & Hawley, representatives of London Lloyds, have expanded their activities to include a life, A&S department. It represents Union Mutual Life as managers in Cook and Lake counties, Illinois.

The new department will be titled L. F. Hawley agency and will be managed by M. E. Farris, vice-president and general manager. Its offices will be in the Bankers building, 105 West Adams street, Chicago.

Mr. Farris has been regional manager of Central Standard Life at the home office for two years. Previously he was manager at Chicago of American National.

## Grunsky Bill is Killed

Sen. Grunsky has decided to kill his bill which would have curtailed the power of the California commissioner to move in on a company which he considers improperly managed. There was a great deal of newspaper publicity surrounding the measure and it was reported that Commissioner McConnell favored the bill, and the governor was quoted as being against it.

The effect would have been to require that the commissioner give a two-day notice to an insurer before taking it over for rehabilitation. Sen.

Grunsky said he is still not satisfied with the fact that the commissioner has the power to move in on a company and seize its records and assets without a court order or without due notice, but said he would not press the point at this session because he is satisfied that Mr. McConnell will not abuse the power he has.

## Allstate is Celebrating Its 25th Anniversary This Year

Allstate has begun a year-long celebration of its 25th anniversary. The company was founded on April 18, 1931, with six employees. At the end of the first year there were 4,217 policyholders and 20 employees, and today there are nearly 3 million policyholders and more than 10,000 employees.

The anniversary celebration will have its climax April 17, 1956, with a banquet in Chicago.

## Deming Investment Sold

Deming Investment Co. of Oswego, Kan., has been purchased by Charles F. Curry & Co. of Kansas City. Deming Investment is also a general agency, and has been representing as general agents American Title, Louisville F. & M., National American, Washington F. & M., and Wabash Underwriters. The company did very little fire business until about 1947 when it began making loans on dwellings and business buildings. This large volume of loan business has resulted in the placement of considerable fire coverage on these properties. Deming Investment has agencies at Little Rock, Tulsa and Wichita.

R. O. Deming Jr., whose father founded the firm in 1880, will remain with Curry & Co. as an assistant to President Charles F. Curry, but with offices in Oswego.

New Hampshire Insurance Women's League heard two members of the Mountain Insurance Field Club at Laconia. George Hazel discussed improved standard provisions for automobile insurance and Philip Percy spoke on the use of catastrophe loss notices and the newer form applicable in New Hampshire.

## Local Board Forum to Open Program at N. Y. Agents Meeting

New York State Assn. of Insurance Agents will conduct a local board forum on the opening day of its two-day session May 9 and 10 at Hotel Syracuse and will hear Superintendent of Insurance Holz of New York, Bruno C. Vitt, president of American of Newark, and Arthur L. Schwab, Association president, in the afternoon.

Participants in the forum and their topics will be Conrad W. Olson, a former direct writer representative, weaknesses of the direct writer; Milton C. Burt, requirements for driver training credits; Mott P. Greene, arbitrary rules and rate changes; Sol Rothschild, suggested agents licensing law changes, and Ben Hemley, "Let's Talk About the Agent."

Speakers Tuesday morning will include Vincent S. McKerrrow, superintendent of reinsurance and excess underwriting departments of Continental Casualty at Chicago, Hugh D. Combs, senior executive vice-president of U.S.F. & G., E. H. Luecke, secretary of America Fore group and Victor F. Veness of American Assn. of Motor Vehicle Administrators.

The afternoon program will include talks by Joseph A. Neumann of Jamaica, N. Y., president of National Assn. of Insurance Agents, and W. H. Gove, vice-president of E.M.C. Recording Co., election of officers and adoption of resolutions.

America Fore will be host at a cocktail party Monday evening. A banquet, dancing and entertainment are scheduled for Tuesday evening.

## Continental Agent Feted

Horace M. Burleson, agent representing Continental of New York for more than 50 years, was honored at a

party, sponsored by the company at Johnson City, Tenn. Out-of-town guests included E. A. Henne, vice-president and manager of the company's western department, Chicago, and State Agent S. E. Holland and Special Agents Larry Hinkle and J. H. Eubanks, all of Nashville.

Mr. Burleson started in insurance in 1903 with Wofford Bros. agency at Johnson City. He later became a partner, and in 1935, upon the death of Mr. Wofford, became president.

Liberty Mutual has elected *Byran E. Smith*, executive vice-president, a board member.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, April 19, 1955			
Aetna Casualty .....	3.00*	196	201
Aetna Fire .....	2.40	74 1/2	78
Aetna Life .....	3.00*	177	182
Agricultural .....	1.80	36 1/2	38
American Equitable .....	1.70	37 1/2	39
American Auto .....	1.20	29 1/2	31
American (N. J.) .....	1.20	35	36 1/2
American Motorists .....	.24	15	16 1/2
American Surety .....	3.00	85	Bid
Boston .....	1.60	43 1/2	45
Camden Fire .....	1.15*	30	32
Continental Casualty .....	1.40	121	124
Crum & Forster com .....	2.00	72	74
Federal .....	.80	35 1/2	36 1/2
Fire Association .....	2.20	58 1/2	60
Fireman's Fund .....	1.80	72 1/2	74
Firemen's (N. J.) .....	1.05	43 1/2	45 1/2
General Reinsurance .....	1.80	50	52
Glens Falls .....	2.00	79	81
Globe & Republic .....	.90	22	23
Great American Fire .....	1.50	46	47 1/2
Hartford Fire .....	3.00	170	173
Hanover Fire .....	2.00	48	50
Home (N. Y.) .....	2.00	50 1/2	51 1/2
Ins. Co. of No. America .....	2.50	109 1/2	111
Maryland Casualty .....	1.40	40 1/2	42
Mass. Bonding .....	1.50*	42 1/2	44 1/2
National Casualty .....	1.50*	38	Bid
National Fire .....	3.00	99	101
National Union .....	2.00	49	50 1/2
New Amsterdam Cas. .....	1.80	56 1/2	58
New Hampshire .....	2.00	54	Bid
North River .....	1.40	39	Bid
Ohio Casualty .....	1.80*	83	Bid
Phoenix Conn. .....	3.40	89	92
Prov. Wash. .....	1.00	28	30
St. Paul F. & M. .....	1.10	61	63
Security, Conn. .....	1.60	49	51
Springfield F. & M. .....	2.00	61	63
Standard Accident .....	1.80	81	83
Travelers .....	19.00*	2130	2150
U. S. F. & G. .....	2.00	78	82
U. S. Fire .....	1.80	55	57

\*Includes Extras.

We Add

# New Dimensions

## to Insurance Service...

### By Providing Agents and Brokers Markets for Hard-to-Place Risks & Surplus Business

The markets for unusual and hazardous risks provided by MacGibeny Agency Inc. have opened up a whole new insurance dimension for agents and brokers.

It is our job to handle risks which your regular companies will not write. This is a factor of extreme importance today when failure to find a market for a coverage can lead to loss of an entire account.

The moral is this: *Never give up on a piece of business until you've submitted it to MacGibeny Agency.*

We write no business direct, but devote our full energies to helping producers write business.



## MacGibeny Agency Inc.

PUBLIC SQUARE BUILDING • CLEVELAND 13, OHIO

# PAID UP?



Occidental agents and brokers using our new visual sales presentation—PAID UP?—will find it solves the problem of getting the prospect's attention, and keeping it long enough to tell the story of Occidental's outstanding Group Term and Paid Up plan.



**Occidental Life** INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE ★ LOS ANGELES

"WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO"

## National Board to Conduct Ad Campaign in Behalf of Agents

National Board will launch a new advertising campaign in September to complement its program of emphasizing the importance of the local agent or broker to his community and the fire insurance business.

Ads will be published in national magazines and the trade press. The opening ad will feature the standard protection seal of capital stock fire companies and will explain that the agent displaying the symbol gives the most dependable service and protection.

Decals of the seal will be made available to agents and brokers for use on office windows and doors and on their cars. Logo-types will also be available for letterheads.

Successive advertisements will deal with fire insurance, prevention of windstorm damage, fire prevention, extended coverage and the need for homeowners to have adequate insurance coverage. The theme in each ad will be taken from typical policyholder case histories—first person reports from people who have dealt with capital stock agents or brokers in their communities and appreciate their services and understanding of their insurance problems.

## May Retain Functional Part of Tax Code for Agents

(CONTINUED FROM PAGE 3)  
insurance. Participation, through service, by NAIA members in this plan is tenuous and remote in spite of a number of producer conferences with government and company officials. The latter are operating under the "threat" of federal self-insurance in this field as well as in the other insurance fields in which the administration is attempting to obtain "fringe benefits" for federal employees.

Blanket bonding of federal employees is now being activated on a piecemeal basis. Such bonding of internal revenue workers is expected to start at any time. Congress is also preparing to act on legislation providing for similar bonding of post office employees. Enabling legislation for other federal

agencies is expected to follow.

Casualty association officials have given assurances that although the number of agents writing federal employee bonding will be drastically reduced under the new group bonding procedure, "an agent or agents will always be designated to service a blanket bond whenever a member of the casualty association is a successful bidder on this federal government business."

Again, Mr. Herndon reported, the companies are operating under a threat of federal self-insurance with the administration, through the bureau of the budget, agreeing to study an alternative government self-insurance fund if satisfactory blanket bonding for federal employees cannot be obtained from the private insurance industry.

FTC "difficulty" in establishing jurisdiction in its investigation in the A&H field is focusing additional attention on a recently introduced bill that would attempt to regulate non-admitted insurance companies which solicit business by mail by denying them the use of the mails. The sponsor of this bill has stated that he "would prefer for states to find some solution themselves" to the problem of regulation of non-admitted insurance companies soliciting business by mail, but if they don't, then some form of federal regulation will be necessary.

## IAC Annual Slated at Atlantic City June 26-28

Insurance Advertising Conference's annual meeting will be held June 26-28 at the Claridge hotel in Atlantic City.

The first day's program will include the president's reception and a get-together supper. Advertising in action will be the theme for a meeting Monday morning.

The luncheon speaker that day will be Arthur H. Motley of *Parade* magazine. A question and answer period will be conducted in the afternoon, followed by a banquet that night at which winners of the IAC agents' contest will receive their awards. On Tuesday a business session will be followed by the closing luncheon.

A & H Underwriters of Milwaukee at the April meeting heard a talk by Frank E. Thomas, A&H consultant with Prudential's north central home office in Minneapolis.

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## Public Relations Theme of Agents At S. C. Seminar

Public relations through knowledge will be the theme of the spring seminar of South Carolina Assn. of Insurance Agents at Columbia April 29.

Morning speakers will include A.A. Orrer, assistant manager of Hartford Fire's southern department, who will speak on the new farm forms; W.H. Mill, manager of the Charlotte branch of Factory Insurance Assn., who will explain what the FIA can do for agents; L.R. McMahon, assistant manager of boiler and machinery division of Maryland Casualty, whose topic will be the production of B. & M. business, and James P. Walker, Atlanta, president of Georgia Assn. of Insurance Agents, who will stress public relations.

The luncheon speaker, Arthur M. O'Connell, executive committee member of National Assn. of Insurance Agents, will have as his topic meeting direct writer competition.

A new dwelling form panel will be conducted in the afternoon. Thomas Walton, vice-president of North American, will discuss homeowners policies; Jack Caldwell, executive state agent of Automobile, will elaborate on the comprehensive policy; Walter Wattles, manager of Providence Washington's Atlanta office, will speak on APL and broad forms, and C.F. Luce Jr., marine superintendent of Aetna, will describe the effect of new forms on inland marine floaters.

Panel moderator will be W. L. Thompson Jr., a local agent at Harts-ville.

## Insurance Accountants Hear World Market Talk

Insurance Accountants Assn. of New York city heard the role of American insurance companies in the international market described by E. A. G. Manton, president of American International Underwriters.

He said that outside of the iron curtain there are few countries where an American company is not entered to do business and said the foreign premium income of American companies reaches an estimated \$100 million annually. He said over the years the percentage of underwriting profit on foreign business has been higher than on American business.

## New Booklet Published Promoting Safer Banking

National Assn. of Bank Auditors and Comptrollers has published a new booklet, *Don't Wait For A Bombshell*, in the interest of safer banking.

The booklet explains that too many bank boards have been convinced of the need for an audit and control program only after they have been felled by a blow that might have been averted.

The amount of insurance carried has proved to be greatly inadequate in the case of a large number of banks that have failed since 1934 because some officer or employee embezzled. Of \$16 million that was embezzled in the banks that failed, \$13 million was uninsured.

## AFIA Luncheon for Pollen

J. A. Pollen, general manager of London Assurance, now on a visit to the United States, was tendered a luncheon at the Lawyers club, New York city, by officials and member companies of American Foreign Insurance Assn. Frank A. Christensen, pres-

ident of Continental and AFIA, was host. Other guests included Walter Meiss, U. S. manager, and K. J. Bidwell, assistant U. S. manager, of London Assurance.

## Magrath New Chairman of New York Board

J. J. Magrath, secretary of Federal, has been elected chairman of New York Board of Fire Underwriters, succeeding H. J. Kiefer who retired. Eugene C. Richard, New York manager of American of Newark was named vice-chairman.

## IAC Members Asked to OK Program to Aid Local Agents

The executive committee of Insurance Advertising Conference has forwarded to members for their approval a program to assist state and local associations in convincing the public of the value of the service provided by the independent local agent.

The proposed program calls for a series of news letters to advise and assist agents in their advertising and public relations activities. The first

letter planned would deal with the general problems of selling the local agent's services and contain a list of sources of material available to agents in planning and carrying out a campaign.

Subsequent letters would be practical discussions of the various phases of an advertising and public relations campaign. For example, newspaper advertising, window displays, direct mail and other forms of business promotion.

The letters would be distributed to local boards either directly or through the state or national association.



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## NEWS OF FIELD MEN

### Mohawk Flight Is Attended by 108

A total of 108 ganders registered for the annual meeting of Mohawk flight of Blue Goose at Pittsburg, Kan. This is the regional meeting of the ponds in Missouri, Oklahoma and Kansas.

The Heart of America pond was host and conducted the formal initiation. There were 55 contestants in the golf tournament, the first prize going to Holland DeLong of Western Adjustment.

Alex B. Young, Hartford Fire, most loyal grand gander, represented the grand nest and gave the charge to the new ganders.

Entertainment at the banquet was provided by Russell Holloway, an attorney from Oklahoma, who gave a humorous talk, and by members of the

Heart of America pond who gave a skit depicting a hillbilly wedding.

### St. Paul F. & M. Names Kennedy at Cincinnati, Earhuff at Birmingham

Walter Kennedy has been named in charge of the Cincinnati office of St. Paul F. & M. He has been traveling the northern Ohio field for several years as state agent with headquarters at Cleveland.

Gordon M. Earhuff has been named state agent for St. Paul with headquarters at Birmingham. He has been serving in that territory as special agent.

### Houk To Ky. for Aetna Fire

C. E. Houk has been appointed special agent in Kentucky for Aetna Fire group. He will have headquarters at Louisville where he will be associated

with state agent E. C. Hill. Mr. Houk has completed a training program in the farm department of Aetna Fire in the western department at Chicago, and in the Kentucky field will handle primarily farm business.

### Pine Tree Field Club Has Commissioners Night

Pine Tree State Field Club set aside its April meeting at Portland, Me., as commissioner's night. Special guests were George F. Mahoney, commissioner; Guy R. Whitten, deputy commissioner, and Harold E. Trahey, rate analyst.

The operations and duties of a state insurance department were discussed by Commissioner Mahoney. He also touched upon various insurance bills pending in the legislature as well as public relations and how this area could be improved through efforts of field men. Mr. Whitten summarized briefly the various types of rate filings which are made by companies and rating organizations.

### Southwest General Names John Daniel in Oklahoma

John B. Daniel has been appointed special agent in Oklahoma for Southwest General. Mr. Daniel, a graduate of Oklahoma Baptist University, a veteran of the second world war and air force captain during the Korean war, will be at Oklahoma City, but will be principally in charge of the company's operations in western Oklahoma. Since 1946 he has been an inspector with the Oklahoma Inspection Bureau, a special agent in western Oklahoma and a state agent in Nebraska for New York Underwriters.

### Burke Named in East Mo. for National Fire Group

Glen F. Burke has been appointed special agent in Missouri for National of Hartford group. He is a marine veteran and before joining National was with Illinois Inspection Bureau at Springfield. His new headquarters will be at St. Louis in the Pierce building where he will be associated with State Agent A. C. Gunther in servicing the eastern half of the state.

### Myres South Tex. Special for Glens Falls Group

Glens Falls group has named Jack Myres special agent for south Texas. He will work under M. B. McDonald, manager of the group's southwest service department at San Antonio.

### American Transfers Two

American has transferred Special Agent Gordon E. Musil from the Rockford service office to the Wisconsin field. Robert G. Anderson has been appointed special agent to replace Mr. Musil.

Mr. Anderson, after experience in underwriting in the western department, attended the advanced multiple line training class at the home office. His most recent experience has been in the loss department at Rockford.

### Harris in New Cal. Post

W. E. Harris has been appointed special agent for New York Underwriters in southern California. He has been traveling that territory for Scottish Union. His new headquarters will be at San Diego.

### Excelsior Names Casey

Excelsior has named Earl F. Casey special agent for eastern Massachusetts and Rhode Island, succeeding Everett R. Ryder who has resigned.

Mr. Casey joined the company in March after having been vice-president of Roy W. Pierce & Co., Providence

agency. He was also formerly with Aetna Casualty as a multiple line underwriter and field representative in Providence and Boston.

### Ohio Blue Goose, Fire Prevention Association Plan Meet for May 9

Ohio Fire Prevention Assn. will celebrate its 50th anniversary at a meeting May 9 in Columbus. Ohio Blue Goose has scheduled a meeting at the same time at which the women's auxiliary will put on a card party. Both groups will attend a banquet at which the toastmasters will be Alex B. Young, Hartford Fire, Kansas City, most loyal grand gander; Eugene F. Gallagher, Chicago manager of Planet, and Richard E. Vernor, fire prevention manager of Western Actuarial Bureau.

### Atlas Opens New Field Office at Cincinnati

Atlas group has opened a new field office at Cincinnati with George D. McQuain, state agent, in charge. Mr. McQuain has been with the group for several months at Cleveland, before that having traveled the Ohio territory for another company. He started his insurance career with Ohio Inspection Bureau.

### Miller Joins North British in Texas

North British group has appointed Van Roy Miller state agent in southwest Texas, succeeding J. L. Paul, who recently was called into military service. His office will be in the Maverick building, San Antonio. He previously was with the Texas fire insurance department.

### Felgar, Thomson Named by North British in Cal.

North British group has assigned Special Agent Walter W. Felgar an independent field in southern California with headquarters at Los Angeles, replacing Special Agent Jack Christ, who has resigned.

The group also has appointed Ian Thomson a special agent at Los Angeles to assist State Agent D. J. Church. Mr. Thomson has been in the Pacific department office at San Francisco.

### Union of Canton Appoints Elliott at Portland, Ore.

Union of Canton has appointed Perry W. Elliott Oregon special agent in charge of the new branch at 442 Pittock Block, Portland. Mr. Elliott has been with Oregon Insurance Rating Bureau since 1949, having been with the Dave Ailing agency in Vancouver for two years prior to that.

### Ralston State Agent of London Assurance in Pa.

London Assurance and Manhattan F. & M. have appointed S. Lawrence Ralston state agent for eastern Pennsylvania, Delaware, Maryland and District of Columbia. He was formerly a special agent in Pennsylvania for Royal-Liverpool. Field headquarters will continue to be maintained at Philadelphia.

### Maupin Named at Omaha

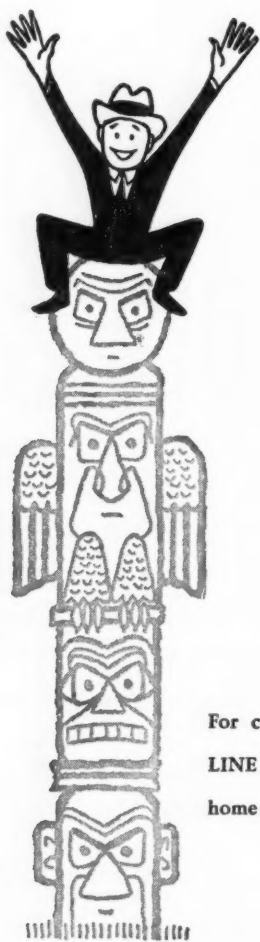
T. E. Maupin has joined Fireman's Fund as hail special agent with headquarters at Omaha. He is a graduate of Kansas State College and has had experience adjusting crop-hail losses in Kansas.

### Hazardous Model Home Shown

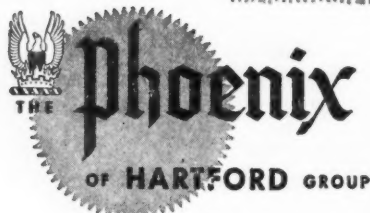
A portable model home that depicts the typical fire hazards that need pre-

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venting was shown to Capital Stock Fire Insurance Assn. of Louisiana at New Orleans. Earl J. Norred, James F. Walters and John W. LeJeune, deputy state fire marshals, conducted a demonstration built around the model home.

### Name B. T. Brown State Agent in Upper New York

Dubuque F. & M. has appointed Bernard T. Brown Jr. as state agent in upstate New York. Prior to joining Dubuque, Mr. Brown was a marine special agent for Fire Association. He is a graduate of Syracuse University.

### Hancock, Howard in Midwest Changes for Crum & Forster

Crum & Forster has transferred Special Agent Edward P. Hancock from the central Illinois territory to Cleveland and has named Robert Howard special agent in central Illinois with headquarters at Decatur.

Mr. Hancock had experience in Crum & Forster service offices in Ohio and Nebraska before going to the western department at Freeport where he completed the underwriting and field training courses. He has served as special agent in central Illinois for 1½ years.

Mr. Howard has had both company and local agency experience. He formerly traveled in Illinois for General of Seattle.

### Cook County FUA Slates Golf Outing for May 19

Cook County Fire Underwriters Assn. will hold its annual meeting and golf outing May 19 at Nordic Hills Country Club, Itasca, Ill. The business session is scheduled for the morning and golf will begin immediately after lunch. Both door and golfing prizes will be awarded at the banquet.

### Hogan in Kansas Field for London Assurance

London Assurance and Manhattan F. & M. have named Charles L. Hogan state agent in Kansas. He will make his headquarters at Oklahoma City. He entered the business with Oklahoma Inspection Bureau in 1946 and was a special agent in Oklahoma for National Fire for two years, after which he served two years in the same capacity for American in Kansas.

### Frazier & Co. Names Hurd

John E. Hurd has joined Frazier & Co., general agents, in Seattle as special agent for western Washington. Mr. Hurd, who has been with Washington Surveying & Rating Bureau for six years, replaces Robert Patterson, who resigned to join Security of New Haven as special agent at Seattle.

### Galvin to Cincinnati Agency

Robert T. Galvin, formerly state agent in southwestern Ohio for St. Paul group, has joined Barkdull & Guckenberger agency at Cincinnati. A graduate of DePaul university, he started in insurance 15 years ago.

### Boyles Transfers to Minn.

Francis F. Boyles has been transferred by Citizens of Hartford from St. Louis to Minneapolis where he will assume jurisdiction of the entire state of Minnesota. Mr. Boyles joined Northwestern F. & M. and Twin City Fire in 1949 after graduating from the University of Minnesota. He now confines his work entirely to Citizens.

### Moves N. J. Field Office

To serve better the agents in south Jersey, American has moved the Camden field office to Haddonfield. Special Agent John Latimer is in charge of

the new office, 13 South Haddon avenue.

### Neb. Fire Prevention Booth Is Big Hit

The display maintained by Nebraska Fire Prevention Assn. at the recent nine-day sports, vacation and boat show at Omaha was a big hit. The field men in charge awarded a free Smoky Bear each day, and 15,000 people signed up to guess how many pieces of candy were in a large jar. They handed out 20,000 pieces of National Board fire prevention literature, and were complimented by the fire prevention department of Western Actuarial Bureau. The display attracted wide spread attention, and to maintain it required the cooperation of 100 of the association members. B. O. Robinson, Security of New Haven, was general chairman.

### Aetna Fire Names Ross Special in Eastern N. Y.

Aetna Fire has named Allan R. Ross special agent in eastern New York state. He will work under Casualty Manager Roy V. Raymond and State Agent E. C. Waterhouse at Albany. Mr. Ross joined Aetna Fire in 1954 and is a graduate of its multiple line training school.

### Southern Fire & Casualty Names Two Special Agents

J. Thomas Boswell has joined Southern Fire & Casualty as special agent in eastern Tennessee. Mr. Boswell previously was special agent in that territory for the Home. His headquarters will be at the home office.

Donald F. Farrer, formerly eastern Canadian division manager for Associated Reciprocal Exchanges, also has been named special agent, and he will be responsible for the production of fire and inland marine business in the principal southern cities. He will work out of the home office.

### Hastings Named in Tenn. for London Assurance

London Assurance and Manhattan F. & M. have named Charles E. Hastings Jr. state agent in Tennessee with headquarters at Nashville.

### Gardner to Ky., Tenn. for Northern Assurance

Northern Assurance group has named Richard S. Gardner special agent for Kentucky and Tennessee. He will assist State Agent J. Reyburn Watson and will make his headquarters at Louisville.

### Names Anderson in Cal.

F. J. Anderson has been appointed special agent in the southern California territory by Providence Washington. Mr. Anderson has had multiple line experience.

### Carpenter Joins Ky. Agency

Weller C. Carpenter, who has been in the Kentucky field for Loyalty group, has joined the Key-Adams agency of Louisville as head of the fire insurance division.

### Molise Made Ore. Special

Richard D. Molise has been named special agent in the Portland, Ore., area for Phoenix of Hartford. Since 1952, after service with the marine corps, Mr. Molise has been with the company at San Francisco.

### Eastern Ia. Puddle Elects

Eastern Iowa puddle of Blue Goose has elected Richard Cole, Western Adjustment as big toad; Joel McVey, New Hampshire Fire, polliwog; John Nagle,

H. E. Licht Adjustment, as croaker, and W. W. Boardman, Royal-Liverpool, as bouncer.

### Willman, Dalrymple Are Named by L.&L.

Dale E. Willman has been appointed state agent in Michigan for London & Lancashire group to succeed the late William H. Moeller.

Mr. Willman eight years ago was appointed special agent in Michigan to assist Mr. Moeller, and four years later, in 1951, was transferred to Ohio. His new headquarters will be at Detroit where he will be associated with Walter A. Schmuck and Richard P. Fogo.

Robert J. Dalrymple has been appointed state agent by London & Lancashire group in western Ohio to succeed Mr. Willman.

Mr. Dalrymple has been with L.&L. for several years, starting at Chicago. For five years has been special agent at Minnesota and South Dakota. His new headquarters will be in Dayton.

### Springfield Transfers Fitch to Home Office

C. Bryant Fitch, special agent of Springfield group at Boston, has transferred to the home office as agency superintendent in the New England department. Richard L. McGinnis, who joined the company this week, will be Boston manager.

Mr. Fitch joined the group in 1940,

and after military service became special agent at Syracuse, N. Y. He went to Boston in 1954. Mr. McGinnis has had training and experience in multiple line insurance and has been manager of the survey and engineering department of a Boston local agency.

### Inspection in Tenn.

Columbia, Tenn., will be inspected April 27 and 28 by Tennessee Fire Prevention Assn.

### Ga. Blue Goose Dance Is Held

Georgia Pond of Blue Goose held its annual spring dinner dance at East Lake Country club, Atlanta. J. D. Ambrose, resident manager of Northern of London, was chairman of the entertainment committee.

James Zach, public relations director of Monsanto Chemical at St. Louis, spoke at the March 14 meeting of St. Louis Blue Goose.

### N. Y. Vehicle Liability Business Is Switched

McNamara & Carroll agency of Elmira has been named to handle all liability insurance on New York state automobiles and trucks. The premium is estimated at \$250,000 a year.

The policy remains with Royal-Liverpool group. Previously the coverage had been handled through Perry & Maxie agency of Elmira. The state policy has limits of 100/300/15.

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**Pacific IM Men Hear Rucker on Forfeiture**

Forfeiture clauses for non-payment of premium on motor truck cargo policies are better protection for a company than the usual cancellation clauses, Aaron E. Rucker, San Francisco adjuster, said at a meeting of Inland Marine Claims Assn. of the Pacific. Under the cancellation clause, he explained, the burden of proof lies with the company; under the forfeiture, the insured must prove waiver or estoppel.

Care must be taken to see that there was no verbal agreement between the insured and the agent as to how payment might be made or reports sent in, Mr. Rucker warned, and that there was no positive extension of credit; that it has not been the custom to receive premiums late or to bill the insured on a particular risk; that no reports or premiums were accepted after the forfeiture date, or any other action taken that might be construed as a waiver.

Mr. Rucker recommended sending a courtesy letter to the insured to notify him when a policy becomes void. Some companies emphasize the clause by placing a large stamp opposite it on the policy, he said.

**73,000 Licenses Issued by Indiana Department in 1954**

The Indiana department issued more than 73,000 insurance licenses last year, of which about 45,000 were for fire, casualty and A&H.

The department's operating expense was \$128,000, while income amounted to \$7,068,102 from premium taxes, \$302,274 from fire marshal taxes and \$223,520 from department fees. More than \$7,000,000 was turned back to the state's general fund. The department's appropriation has been increased to \$172,000 for the next fiscal year.

**Plan Insurance Institute in New Mexico June 20-22**

New Mexico Assn. of Insurance Agents will sponsor an insurance institute at the University of New Mexico June 20-22, the first school of its kind to be conducted in the state. The educational department of the National association will cooperate.

**Brink Heads General Agents**

J. R. Brink, Brink-Linnell general agency of Minneapolis, is the new president of Upper Midwest General Agent's Assn. Richard Smith is vice-president and Jack Growther is secretary-treasurer.

**New Amsterdam Names Preston V-P at L. A.**

New Amsterdam Casualty has appointed Karl Preston resident vice-president at Los Angeles. He joined the company in 1927 in field audit and inspection work. After doing special agency work in the midwest he transferred to the home office to assume charge of the safety engineering and audits department.

In 1936 Mr. Preston was named assistant manager at Detroit and manager in 1939.

W.S. Macy is manager and D. S. Ferguson heads the claim department at Los Angeles.

**New Volume Published by Actuarial Society**

Casualty Actuarial Society has published its annual *Proceedings* which contains articles on prolonged hospital illness, group A&H benefits and measurement of loss costs for rate making purposes, a summary of the boiler and machinery premium adjustment rating plan, a credibility framework for gauging fire classification experience, workmen's compensation rate making and new standard provisions of the WC policy.

Copies may be purchased from the society at 200 Fourth avenue, New York, N. Y., for \$8 each.

**Mich. Senate Passes Bill Extending WC Benefits**

LANSING—The Michigan senate has passed a workmen's compensation bill which its Republican supporters have hailed as "a law unrivaled by any other state" in respect to its liberal terms.

The new measure lengthens maximum benefit period from 400 to 450 weeks and permits a totally disabled worker to draw compensation until death. Present limit for total disability is 800 weeks.

There is no increase in the benefit scale, and the senate resisted the attempts of Senator Rahoi, a Democrat, to add a number of increases, contending that even the labor unions were not seeking them.

**Wolcott Speaks at Marine Meeting at Los Angeles**

Paul Wolcott Jr., president of California Assn. of Insurance Agents, was speaker at the April meeting of Marine Underwriters Assn. at Los Angeles.

**Ask Suit Time Limit in Ohio**

A bill has been introduced in the Ohio senate to limit actions on wrongful death to five years from the date of death. Presently there is no limit on filing.

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**CROP HAIL ... FIRE and ALLIED LINES**

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## Casualty & Surety Assn. Annual Set for May 10

Assn. of Casualty & Surety Companies will hold its annual meeting at the Waldorf Astoria hotel in New York city May 10, at which time new officers and executive committee members will be elected.

## Trends in Rate Making Eyed by J. J. Magrath

(CONTINUED FROM PAGE 15)

A similar problem arises in relation to possible legislation regarding limitation of other company expenses, Mr. Magrath commented. Should the law be so amended, the rating organizations would undoubtedly be called upon to recognize the limitations in the rate making process.

It is very likely that the principle of graded rates recognizing lower proportionate expense ratings on larger premiums will be extended to additional classes of business. This principle may stimulate the combining or packaging of rates to create larger aggregate premiums and maximum cover eligibility.

Additional classes of business will probably be brought under the various merit rating plans, he believes. The extension of experience rating and retrospective rating to additional classes of business may also be accompanied by a combining of classes for rating and the application of such plans to encompass broader credibility.

It is conceivable that at some future time there will be statistics showing the variations in expense between the classes of fire insurance and that these may be reflected in the rate making program through the use of higher and lower expense factors for the several major classifications of the business.

It is also not unlikely, he added, that graded expenses may be adopted under which the percentage expense loading on larger premiums will be less than on the smaller premiums, to reflect the lower commissions and management costs involved in the larger premiums.

## Taylor to Speak Before Zone 2 Commissioners

Robert B. Taylor of Oregon, executive committee chairman of National Assn. of Insurance Commissioners, will be the speaker at the business session of zone 2 of the association, which meets at Baltimore April 27-29.

Commissioner Jackson of Maryland will be host to three former commissioners at the meeting, Allyn of Connecticut, Southall of Kentucky and Murphy of South Carolina.

Commissioners who will attend will include Smith of Delaware, Jordan of District of Columbia, Gold of North Carolina, Robinson of Ohio, Smith of Pennsylvania, Kelly of South Carolina, Bowles of Virginia and Gillooly of West Virginia.

The featured speaker opening day will be Claris Adams, vice-president and general counsel of American Life Convention.

## J. J. Gutstadt & Co. Moves

J. J. Gutstadt & Co., general insurance brokers, 1 North La Salle street, has moved to new and larger quarters in the Board of Trade building. The new phone number is Harrison 7-8500.

## Three Named Bureau Members

New members of Bureau of Accident & Health Underwriters include American Manufacturers Mutual, American National and American Policyholders. Membership now consists of 102 companies.

## Who missed the boat?



—Asks Max D. Balsam  
4824 Second Ave.  
Pittsburgh, Pennsylvania

"Should general insurance men write life insurance?" asks Mr. Balsam. "Let's look at the record. In 1945 I was called to a little town 40 miles from Pittsburgh to check fire and casualty policies of a small business firm. The job done and my recommendations accepted, I called the local agent (not through my office) and made proper changes.

"Among other things, I suggested Business Interruption insurance, and obtained data on gross receipts and net profits. A partnership was involved. I suggested some Life Interruption insurance. It led to a series of related life sales to date involving \$13,191.42 premiums. Remember, I just analyzed the general insurance, but wrote the life. Who missed the boat?"

• Continental has "grown up" with general insurance men . . . become one of the "big 25" in record time largely because of them.

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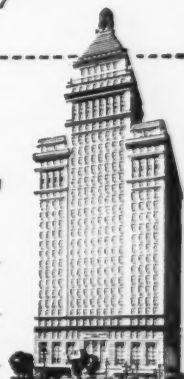
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## Vt. Agents Meeting May 16; To Discuss Insurance School

The program has been completed for the spring meeting of Vermont Assn. of Insurance Agents, to be held May 16 at Woodstock inn. The session will be preceded May 15 by a golf tournament between company men and agents and a get-together supper.

An agents' business meeting and reports by association officers and committees will open the session on Monday. This will be followed by an agents' forum on a contemplated insurance summer school at the University of Vermont June 21-23.

Among those present will be R. C. Shipley, manager of the Northeastern branch of National Bureau of Casualty Underwriters, Portland, Me., and Samuel J. Hatfield, manager of the Vermont division of New England Fire Insurance Rating Organization, Burlington.

After lunch speakers will include Archie M. Slawsky of Nashua, N. H., executive committee member of National Assn. of Insurance Agents, whose topic will be "It Looks From Here"; Richard C. Wagner, casualty department manager of Assn. of Casualty & Surety Companies, who will discuss automobile financial responsibility laws, and Richard C. Hubbard of Hubbard agency, Middlebury, former president and national state director of the Vermont association, who will talk on insurance programs for school boards.

A social hour will be followed by a banquet at which greetings will be given from Gov. Johnson and Insurance Commissioner Miller. The golf tournament cup will be presented to the winning golf team.

## Auto Cover Data Law Repealed in New York

A bill repealing a 1954 law that required motorists registering vehicles to state whether they carried liability insurance, the amount and company has been signed by Gov. Harriman of New York. The information was needed for statistical purposes only for a single year and was held confidential.

Another bill signed by the governor requires that the full name and principal place of business of insurance companies be included in advertisements and announcements of their agents. This was not previously required.

The governor signed the bill making disability benefits law coverage mandatory for certain trades not now covered. He vetoed a bill amending the workmen's compensation law regarding destruction of records required to be filed under the disability benefits law.

## N. Y. Adjusters Outing

Adjusters' Round Table of New York city will hold an outing May 6 at Echo Lake Country club, Westfield, N. J. The program will include golf and an evening dinner.

## Toale Leaving NAIA to Be N. Y. Manager for Security Conn.

Eugene A. Toale has resigned as assistant secretary and educational director of National Assn. of Insurance Agents, effective May 1, to become manager for Security-Connecticut at New York city. He has been with NAIA five years.

Before joining the association, Mr. Toale was supervisor and instructor in the educational division of Fidelity & Casualty's agency department.

He entered the business with Continental Fire and served as underwriter for the automobile physical damage department. He later became senior underwriter for fire and casualty lines in the New England territory when the physical damage department merged with the casualty to form the America Fore automobile department.

As NAIA educational director Mr. Toale appeared as an instructor on the programs of many state association insurance schools. At present he is an instructor at the school of insurance of Insurance Society of New York.

## Twin City Casualty Assn. Elects Hanna President

John H. Hanna of R. M. Neely Co. was elected president of Twin City (Minn.) Casualty Insurance Underwriters Assn. at the annual meeting at St. Paul. Wes H. Hauck of Great Northern and Donald M. Sundt of Hardware Mutual Casualty were elected vice-presidents and Donald Krueger of Mutual Service Casualty, secretary-treasurer.

V. G. Lowe Jr. of Minnesota workmen's compensation and rating inspection bureau, discussed the Minnesota automobile assigned risk plan and compensation assigned risk pool after which questions from members were answered by A. A. Baillie and H. O. Nelson, also of the bureau.

## R. I. Hearing Slated on Storm Payment Complaints

Commissioner Bisson of Rhode Island has called a public hearing April 25 at Providence on complaints of some 44 Warwick property owners that their insurers have refused to settle claims arising from last year's hurricanes. Representatives of the companies involved have been asked to attend.

A bill has been introduced in the Rhode Island senate that would forbid any insurer from cancelling an extended coverage policy except for non-payment of premiums.

## Holland Agents Elect

Donald J. Crawford has been elected president of the Holland (Mich.) Assn. of Insurance Agents, succeeding Bruce G. Van Lewen. Other new officers are Frank M. Lievens Jr., vice-president; Neal Wiersema, secretary, and Robert Koop, treasurer.

East Bay Assn. of Insurance Women will hold its annual "Bosses Night" party April 21. Helen Rumetsch is program chairman.

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## Sees Loss of Headway in Sales to Small Insured

(CONTINUED FROM PAGE 1)

bor and expense saving device available to reduce the cost of indemnity on all personal lines, especially dwellings and automobiles, he declared. This includes full use of automation techniques. At present he said less than 5% of all the office work of capital stock insurers using independent contractor agents is done by automatic machines. Experts say 50% of such work could be mechanized.

The outstanding value of expense saving devices is their ability to absorb large volumes of data connected with the processing and handling of the complicated insurance business. The business cannot afford to pass up the opportunity they provide, he said. Premium saving competitors will be early in line for the machines as they become available.

What does this mean to the independent insurance counselor? It is the opinion of Mr. Crafts that these new miracle machines are costly and their operations must be centralized. He asked agents to be prepared to urge private insurers they represent to assume all policy writing and premium accounting functions, including the billing and collection of premiums on the average private dwelling and auto risk and possibly on other small personal lines.

These changes can be made without impairing in any way the effectiveness of appreciation for agent services, he said.

Unquestionably other expense saving improvements can be developed. Why shouldn't all property and liability coverages be packaged in a single contract, arranged for at one sale and serviced as required during the policy term of three or five years? Simple, inexpensive coverages without frills, providing the maximum protection the budget will allow, including all family needs, even the one that looms more important daily—major medical and hospital protection?

The next "bold step" recommended by Mr. Crafts is greater frequency of payment. Small home owners can't afford to pay a term or even a year's premium in advance. Credit is a widely recognized practice. Why oppose quarterly or semiannual payment privileges if the policyholder is willing to pay a service charge for the budget advantage. Within a comparatively short time, he said, and with use of electronically operated handling and accounting devices, automatic billing will be a simple process.

The new, small home owner has been buying his insurance increasingly as he would buy a piece of furniture because agency competitors, especially in large centers, have made it easy for him to buy. The employed insurance

selling force isn't hidden away on the third floor of an office building or domiciled on a side street. They have discovered the lure of neon lights on Main street. Some have taken over counters surrounded by washing machines and automobile tires and to their amazement have watched customers wait their turn to buy insurance. No paperwork, just face to face selling. Others have ground floor offices identified by multi-colored neon signs that imply the insurer is the little man's friend.

The most important and effective office hours of these Main street insurance emporiums are Thursday night and Saturday morning or afternoon, Mr. Crafts pointed out. This is because the average home owner works five days a week. He takes pride in being master of his financial affairs, including the purchase of insurance, and he is willing to go to the agent, but he can't take time off to do it.

Mr. Crafts urged agents to set aside more pennies to advertise their services and their value to the small home owners, and to tell their story with the enthusiasm of some of the other great merchandisers of today such as General Motors.

Neither agents nor companies can pull the wagon of opportunity alone, he said. Their obligations are not always identical and the views at times will and should differ. They should face the fact as intelligent men and friendly associates that in the crisis of increasing competition and with the rapidly changing insurance demands of the public, these views may not always be harmonized immediately.

This does not mean, he said, that either should become suspicious or critical of each other. The goal is a common one, the stakes are high, and the problems can only be worked out together.

### Hunt Asks Better Rules for Insurer Qualification

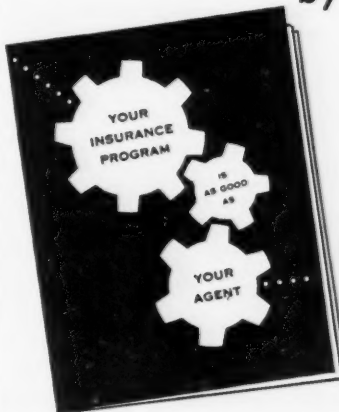
The Oklahoma house committee investigating questionable insurance practices, has come across a provision in the state law allowing a mutual casualty company to be started if it has money in the amount of five times that of a single policy. This "ridiculous" qualification was brought out by Commissioner Hunt, who said \$50,000 should be the minimum for establishing such a company in Oklahoma.

The commissioner gave his backing to a bill pending in the house that seeks to establish the \$50,000 requirement.

The investigation into the local insurance situation was launched after Mickey Mantle of the New York Yankee baseball team lost \$2,700 to a man who claimed to be representing the Will Rogers Ins. Co.

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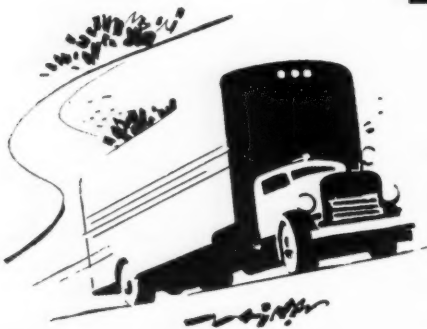
- He is always available to furnish courteous assistance;
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## Alaska WC Benefits Raised to \$100 Weekly

The Alaska legislature has passed a bill substantially increasing benefits under the workmen's compensation act and another requiring Lloyds and other non-admitted insurers to file loss data, as well as premiums written, so that the correctness of rates being charged may be determined.

The change in benefits, which goes into effect June 26, increases maximum temporary total disability benefits from \$75 to \$100 per week.

The 24 months' limit for any one injury has been retained; however, a proviso has been added that if a doctor attending an injured workman certifies the need for additional medical treatment, an extension will be given. Another provision obliges an employer to pay for the additional treatment.

## K. C. Insurance Society Studies Special Lines

The April meeting of Insurance Society of Kansas City was given over to examination of the market for special and difficult lines. Thomas Burnard, manager Associated International Insurance Managers, Chicago, gave a description of how the Lloyds market operates. A panel moderated by I. H. Otto, manager Oppenheimer Brothers, discussed domestic facilities for unusual lines, stressing the fact that wherever a domestic market exists for such lines it takes precedence over the foreign markets. Singled out for particular attention were credit insurance, discussed by R. S. Nelson, general agent American Credit Indemnity; malpractice liability insurance, by Robert Koenigsdorf, local agent; and false arrest insurance, by Homer Bunce, Fireman's Fund Indemnity.

## Farm Bureau Cuts Public Building Fire Rate 11%

The Farm Bureau Mutual Fire of Columbus has cut by 11% its rates on public buildings. Buildings for which the lower rates will apply are non-profit institutions such as museums, city halls, court houses, schools, and libraries, and business places.

## Detroit Buyers Hear Williams

Roger Williams, an executive underwriter for Columbia Casualty at New York, was speaker at the April meeting of Insurance Buyers Assn. of Detroit. Mr. Williams is superintendent of Columbia's boiler and machinery underwriting division.

## \$750,000 Conflagration Is Only 20% Insured

Fire, fanned by a strong west wind, swept through Bowling Green, Va., Easter Sunday, destroying 25 buildings and causing \$750,000 damage, of which about 20% was insured. The conflagration occurred on the 55th anniversary of another fire which nearly destroyed this town of 600, which is about 50 miles south of Richmond.

Most of the 25 buildings destroyed were old frame structures, but two were brick and one of those was modern.

The fire started in a barn about 500 yards from the center of town on the west side of the four-block business section. It spread to a group of sheds, to a Ford automobile agency and then quickly engulfed the west side of the business section. The heat was so intense and the wind so sharp, the fire jumped the main street and destroyed most of the business district on the east side of the street. The blaze threatened three gasoline service stations, but none caught fire. Also saved, because of a brick fire wall, was Union Bank & Trust Co. building, which shielded the southern part of the west side of the business district. Among the offices in the bank building was that of Julien J. Mason, local agent.

No record was available concerning the 1900 fire, but it has been estimated that about the same number of buildings was destroyed then. However, the insured loss was less because of lower building evaluations.

## So. Cal. Adjusters Hear Babcock on Investigations

Roger Babcock, former president of Casualty Insurance Adjusters Assn. of Southern California, emphasized the need for "undercover investigation" before, during and after trial and judgment at a meeting of the association at Los Angeles.

He grouped cases which call for this type of investigation as those involving "professional" claimants, fake accident claimants and the malingering or built-up case, which he said is the type most likely to cause trouble. Mr. Babcock went into the investigation techniques needed in dealing with these cases.

## Rural Agent Educational Panels Scheduled in Ohio

The rural and small lines committee of Ohio Assn. of Insurance Agents has scheduled a series of educational panels to begin May 4 at Marietta, continuing May 5 at Coshocton, May 6 at Kent, May 11 at Xenia, and May 12 at Kenton. E. B. Hendrixson of Batavia will be general chairman of the entire series.

## Luker Goes With Agency

T. R. Luker, who has been special agent in the southwestern department of Northwestern Mutual Fire, has resigned to join the Keith D. Peterson agency of Shreveport, La.

## Leaves Oakland Association Post

G. E. Nichols, since 1950 insurance manager of Oakland (Cal.) Assn. of Insurance Agents, has resigned to join a local agency. He serviced public insurance accounts for the association, and will remain a member of the public insurance committee.

Iowa Mutual of Des Moines will build a \$100,000 branch office building at Minneapolis.

Robert Van Nulse, superintendent of underwriting of Aetna Casualty, conducted a forum on casualty insurance at a meeting of Syracuse Insurance Women's Assn.

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## Lee Gets Promoted by Commercial Union

Commercial Union-Ocean group has named Thomas B. Lee assistant United States manager, effective May 1. His new duties will include responsibility for operations in Texas and Arkansas.

Mr. Lee joined the group at Dallas in 1946 after working for the Texas insurance department. He was named group secretary in 1950 when he transferred to New York and was appointed deputy assistant U.S. manager in 1954.

## Travelers Opens Its New Offices at Grand Rapids

Travelers has opened new offices at Grand Rapids in its own building at 550 Cherry street. An open house will be conducted April 22. Harry O. Anderson is manager of the life and A&H agency department; Gilbert E. Kelley is fire and marine manager, and Gordon H. LaBelle is manager of casualty, fidelity and surety. M. B. Kindy is claim manager.

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## Washington Has New Surplus Line Form

A major change is being instituted in Washington in the examination of surplus line policies. A new form designated as "Statement of Producer", has been approved for use when a declaration on the part of the producer in addition to the affidavit of the surplus line broker, is needed to clarify the status of a surplus line filing.

The new form, which the surplus line broker will be called upon to forward to the producing agent will require the latter to name the specific admitted insurers to whom the risk in question was submitted and the date of such submission. In this manner, the stamping office will be able to verify the reasons for the rejection of the line by the admitted insurer.

It is pointed out that misrepresentation on the part of a producer as to the reasons for exporting a line places his line as an agent for admitted insurers in jeopardy.

## NAIC Zone 3 Meet Set for Louisville May 1-4

Zone 3 of National Assn. of Insurance Commissioners will hold its annual meeting in Louisville May 1-4 with S. H. Goebel of Kentucky as the host commissioner.

Commissioner Larson of Florida will preside at the four-day session, a highlight of which will be a talk on public relations and its importance today by Arthur T. Sturgeon, vice-president Citizens Fidelity Bank & Trust Co., Louisville.

## Commercial Union Group Promotes D. E. Waggaman

Commercial Union group has appointed D. E. Waggaman assistant manager of its Pacific Coast department. Mr. Waggaman has been deputy assistant manager there two years, having been with the group 20 years. He started at New York and has been in the Oklahoma and Rocky Mountain fields and also has been an executive special agent at San Francisco.

## Agents Not Budging in Auto Marketing Views

(CONTINUED FROM PAGE 9)  
reactionary, the agents have plenty of company—everybody.

If machines can help agents do a more efficient job, agents will cooperate in their use, he indicated. Company and agent can join in eliminating free insurance, which is said to add to the cost of coverages. He agreed that duplicated company and agency service operations are indefensible, but he also tackled the licensing of unqualified agents, continuation of the development of information to meet underwriting requirements though it long since has been antiquated, etc.

In defending the effectiveness of the agency system, Mr. Neumann called attention to the survey conducted by the Florida association which showed that for every 3.4 policies lost to direct writers, local agents wrote 18 replacements. He praised Home, which adopted a slogan for its current sales campaign, "Let's increase income—not reduce commissions". He said he liked the masthead of the current advertising of Royal-Liverpool group, "We believe in the American agency system".

He said the agents would listen gladly to those who advocate changes, but agents would like to hear specifics and not generalities. If there are no specifics, then the business as a whole would be served best by a little less talk and a little more work by everybody, he declared.

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Is your Insurance as good as your car?

You buy your car by brand. Its name is your guarantee of value and performance.

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For your own sake, buy from your reputable HOMETOWN agent. He gives you service—not just sales-talk.

It pays to take an interest in your insurance company, too. You need a friendly, reliable company whose reputation measures up to your car's. Then you know you're protected when a loss occurs.

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It tells your clients about your services, the quality protection which you can offer.

This advertising is designed to attract good automobile business to your agency.

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Better Homes and Gardens—June  
Nation's Business—May  
Town Journal—May  
Time—May 9  
Newsweek—May 9  
Business Week—May 7  
U.S. News & World Report—May 20

## Fears Autonomy Loss in Efforts for Uniformity

(CONTINUED FROM PAGE 1)

Underwriters Assn. discussed the coverages of the new dwelling forms, broad and special, and compared them with each other and with extended coverage and additional EC.

George M. Lynch, Jr., manager of education and research of Western Adjustment, treated the same subject from the viewpoint of loss settlements.

The film, "Sell the Whole Umbrella," which was developed by American, was shown with an introduction by John G. McFarland, manager of the western department of that company. The film emphasizes the need for agents to sell all the protection the individual needs, for one agent to be responsible for insured's entire pro-

gram, and for use of visual and other sales aids to give insured a thorough understanding of his problems and how insurance can solve them.

Mr. Lederer in his report conceded that for years the midwest had complained about not having available forms in use on the Pacific Coast, in the east, and in the southeast. Lately, however, he has had the feeling that there may be too much availability. Certain forms have been adopted by Inter-Regional and sent to the midwest for use, yet midwest agents have had no hand in their preparation, no opportunity to discuss them with company officials. If

only satisfactory answer, Mr. Sullivan believes, because insurance is a personal thing and the closer supervision is to the persons who buy it the better.

The other problem is agency vs mail order or direct writer insurance. There is no question, he said, about the future of the agency system in this contest. There is no other satisfactory method except this kind of personalized service. Agency organizations are doing much to eliminate the weaknesses in the agency system via better qualification of agents to serve the public, he stated.

Joe H. Bandy of Nashville, chairman of the casualty committee of NAIA presented the casualty questionnaire which his committee will discuss with National Bureau May 17-18. He also distributed copies of a comparison of coverages between the old National Bureau automobile policy and the new one and the policies of some non-bureau insurers.

The revised National Bureau contract is not as good or as broad after revision as agents wanted, Mr. Bandy said. However, he believes that before too long there will be another, strictly private passenger policy which he hopes will incorporate more of the features the agents have been requesting.

Howard N. Fullington of Wichita, midwest conference chairman, opened the sessions. T. K. Robinson of Memphis, the secretary, was unable to attend and George A. Timm of Kenosha, Wis., took over his job. Paul H. Heinz Jr. of Topeka, president of the Kansas association, brought greetings, and B. J. Weldon, president of the Wichita association and general con-



George A. Timm



H. N. Fullington

this develops further, the efforts of the conference committee may be in vain. Inter-Regional is deciding many things midwest agents feel should be the prerogative of western departments.

He adjured western department executives not to lose one of the big advantages of the conference.

Efforts of a conference subcommittee to develop a form of policy that would make it possible to deliver a single multi-company contract have proved unsuccessful, Mr. Lederer said. A Western Underwriters Assn. committee considered it carefully and finally concluded the form was not practical.

However, he said, another subcommittee of the conference committee is working on a new simple reinsurance contract which will permit an agency in its own organization to use one contract in one insurer and automatically reinsure in other companies in the office. He said he hoped this would be ready for discussion with WUA and WAB when the conference committee meets with them at the Union League Club in Chicago June 27-28.

Mr. Parker said WAB has ready for recommendation amendments to the broad and special dwelling forms which exclude wind cover on trees, shrubs and plants. There is, however, a buy back provision. The tree cover is something the companies feel they can't live with at the present rate level. It is too potentially catastrophic, he said. Other helpful changes in the form, he added, are the bringing into agreement the replacement cost cover of the two forms and clarification of the settling provision by eliminating the word normal. The revised forms have been generally clarified.

WAB is also recommending an increase in the minimum premium per policy, including all coverages or endorsements attached at the time the policy is written, from \$5 to \$10. This would apply to term and installment as well as annual. In the other regions, he said, minimums for some time have been \$10 or \$7.50 for fire policies and \$2.50 for extended coverage.

The insurance business today faces two major problems, Commissioner Sullivan of Kansas said in his talk. One is the tussle between states and the federal government over supervision of the business. State regulation is the



H. J. Gescheider Jr.



B. W. Hopkins

vention chairman, expounded the features of the city. President J. A. Neumann introduced members of the NAIA executive committee and headquarters staff.

Next year's meeting of the conference will be in St. Paul April 8-10 with the St. Paul and Minnesota associations as hosts.

WUA was host at a dinner for state association secretaries and managers Sunday evening. One topic of discussion, it was reported, was the new policy of WUA companies not to have headquarters at state association meetings. Some of the lobby comment indicated that agents and secretaries are not expressing opposition and some are voicing approval. However, there is some disposition to believe that with non-WUA companies taking advantage of the situation, WUA insurers will be under pressure to revive headquartering. WUA field men will not want to stay away from such meetings and if they attend will have the problem of what to do with or for agents.

Among companies maintaining headquarters here were Fidelity & Deposit, American, Pacific Fire group, Boston, Chubb & Son, Cimarron, Continental Assurance, Crum & Forster, Great American, the Hartfords, Home, North

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Man 35-40 years of age to head up combined fire and casualty department. Sizeable general agency in Michigan serving area of 100,000 population. Casualty underwriting experience essential; fire and casualty preferred. Excellent opportunity. Replies strictly confidential. Give personal history, experience. Address E-32, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### UNDERWRITER

Fast expanding Illinois Stock Company has opening with excellent opportunities for underwriter of plate glass, liquor liability and general casualty lines. Age 25 to 35. Should have knowledge of Cook County. Modern office—5 day week. Salary above average. Write details, experience, references, etc.: S. R. Virco—

### LINCOLN CASUALTY CO.

A-1609 Insurance Exchange Bldg.  
Chicago 4, Illinois

### UNDERWRITER

Experienced Underwriter for St. Louis Branch Office, of direct writing casualty insurance company. Must have working knowledge of Workmen's Comp., Auto & Gen. Liab., Retrospective Rating Plans. Knowledge of Fire desirable, but not essential.

Send résumé of experience, age, background and education and salary expected to Box E-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### IOWA AGENCY CONTRACTS

Progressive, participating stock company group, writing Automobile, Fire, Public Liability and Workmen's Compensation expanding in your State. Contracts available to qualified agencies who want a long term relationship with a proven company offering excellent services. For information on our competitive Middle Western companies, write: Box #E-51, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE COMPANY WANTED

Casualty company with plenty of connections wants to represent Fire Company as General Agents in Alabama. Call, Wire or Write our Mr. Holmes IMMEDIATELY.

### THE EMPIRE CORPORATION

2173 Highland Ave., S. BIRMINGHAM, Alabama

### ENGINEERING POSITION VACANT

Engineer wanted for industrial fire prevention field work by national insurance organization operating in mid-west states. Knowledge of rating schedule preferred. Real future but candidates should appreciate that extensive out-of-town travel is involved. Ages 26 to 40 desired. Address E-45, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE LOSS ADJUSTER

Leading multiple line stock company has exceptional opportunity for young man with at least 3 years experience. Excellent future. Good salary. Locate St. Charles, DuPage County, Ill. Car furnished. Many extras. Address E-46, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FLORIDA—GEORGIA AGENCY CONTRACTS

Participating Stock Company group, writing Automobile, Fire, Public Liability and Workmen's Compensation, expanding in Florida and Georgia. Contracts are available to qualified agencies who want a stable, progressive competitive group with Home Offices at the Gateway to the South. For complete information write: Box #E-53, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIDELITY AND SAFETY

Exceptional opportunity for fully experienced Fidelity and Surety man to take complete charge of production and underwriting in Western Department of large multiple line stock company. Give full particulars. All replies confidential. Address E-49, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIELDMAN—TENNESSEE

For large multiple line stock company. Outstanding opportunity for qualified man. Our men know of this advt. Replies strictly confidential. Give full personal history, experience and education. Write Box E-37, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

Accident & Health Production Man for Midwestern branch of large multiple line casualty company to work with agents in Midwestern and Southern states. Must be experienced, willing to travel and have proven production record. Please write full personal and work history. Address E-42, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FOR SALE

Independent Adjustment Service  
Denver, Colorado  
Eight years old — gross \$20,000 a year. Excellent opportunity for experienced claim man. Write to E-39, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Fire and Casualty Field Man—Kentucky

Kentucky General Agency offers excellent opportunity to production man. Preferably well acquainted and established in state. Replies strictly confidential. Address E-40, The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Illinois

### AVAILABLE

Casualty and Material Damage Adjuster, 9 years experience, 6 years in casualty, legal background. Permanent position as Claims Examiner desired, would consider field position as adjuster. References furnished on request. Reply to E-48, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE

Fire Special Agent desiring position in Midwest with Multiple-line company. Have four years special agency work, with previous agency and company experience. Will relocate. Excellent references. Address #E-52, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



America, Kansas City F. & M., London & Lancashire, Maryland Casualty, National Fire, National Union, North British, Phoenix-Connecticut, Preferred of Topeka, Royal-Liverpool, Security-Connecticut, Springfield, Central Surety, U.S.F. & G., U.S. Aviation Underwriters, Western of Fort Scott, Loyalty group, New York Underwriters, New Hampshire and Millers National.

F. & D. also maintained a coffee bar outside the meeting room. Sunday night its banner disappeared and tables were overturned but the company representatives were unable to determine what competitors did it, if any.

### D. C. Agents Fight Farm Bureau Sales Counter Plan

(CONTINUED FROM PAGE 1)

puts the life business on an order-taking basis".

William J. Haggerty, Occidental Life agent, and past president of the district's general agents and managers association, says the plan and its advertising is "disturbing," and added "insurance is not merchandise. The plan does not conform to accepted standards of operation". He also indicated he would write Hecht Co. about his feelings and believes other agents should also do so.

Concern is expressed among agents about terms of the arrangement between the insurer and the stores. Advertisements indicate that telephone

WASHINGTON—As a result of protests from insurance men in this area, it is understood assurances have been given that Hecht Co. will cancel before long its arrangement with Farm Bureau of Ohio to permit over the counter sale of insurance at leased space in three Hecht department stores in this area.

These assurances were received from Hecht officials at a conference participated in by Douglass Wallop Jr., president District of Columbia Assn. of Insurance Agents; Charles Barker, chairman of a special committee of that organization named to deal with problems involved, and John F. McLaughlin Jr., of McLaughlin & Co. agency.

The Hecht people expressed surprise at the unfavorable reception given the Farm Bureau project by members of the insurance industry and stated they had no wish to offend any friends of the department store corporation. The agents reported the attitude of Hecht Co. as "most cooperative."

The agent committee has taken steps to secure cooperation of D.C. Life Underwriters Assn. and D.C. Life General Agents & Managers Assn. in plans to fight the Hecht-Farm Bureau project, if necessary.

calls to Farm Bureau sales counters will be handled through the Hecht switchboards, giving the impression that Hecht Co. sponsors Farm Bureau. They also say they wonder if Hecht Co. will receive, in addition to a stipulated

rent, a percentage on insurance sales over a certain amount, and if Hecht Co. will bill Farm Bureau premiums on its charge accounts, and collect premiums and receive commissions.

A spokesman for the district insurance department said that there is not supposed to be any connection between Hecht Co. and Farm Bureau other than the relationship between landlord and tenant; that Hecht's is not in the insurance business, is unlicensed, cannot bill for premiums or collect them, receive a commission or otherwise act as insurance participant with Farm Bureau, except that it could

buy a policy from the insurer.

William Tooker, president of Life Insurance General Agents & Managers Assn. of the district, called the matter to the attention of the group's directors, while Charles M. Saxelby, general agent of Maryland Casualty, wrote the following letter to Hecht Co.:

"Your announcement in yesterday's Washington Post soliciting automobile, fire, life insurance for Farm Bureau Mutual Companies places you in competition with every insurance agent and company doing business in this area. My family has had a charge account with you for 25 years or more

but I am putting a stop to any further purchases at any of your stores and you may cancel the account. I am also taking up the matter with the District of Columbia Assn. of Insurance Agents and the Life Underwriters Assn. for appropriate action.

"If you will refer to the telephone directory you will find 14 pages of insurance agents and companies. Each of these employ from one or two to 100 or more persons. Every premium dollar that you attract to the mutuals makes one merchandising dollar less that might be spent in your stores. How short-sighted can you get?"

## A FAVORABLE STATE OF MIND

The prime function of advertising is to create a favorable state of mind.

Advertisers should never lose sight of that. In its advertisements a company may refer to its size, age, strength, reliability, service or anything else, but all it is really trying to do is to create a favorable state of mind among readers. It wants the reader to feel the same way about the company as the man who writes its advertisements.

But favorable public opinion, the right state of mind toward a company, cannot be created in a week, a month or even a year. It certainly cannot be accomplished in one advertisement. Sporadic advertising, a few insertions of hastily prepared copy, is almost as bad as no advertising at all.

If you want the rank and file of agents and brokers to think about your company as you do, you must give them all of the reasons for doing so. You must tell them why in as many ways as possible. Tell them not once, twice, or occasionally, but regularly, constantly and according to a well devised plan. Advertise convincingly but, most important of all, advertise regularly.

Everyone of consequence in the insurance business, everyone that you want to have a favorable state of mind toward you, may be reached by advertising in The National Underwriter.

## The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number 25 of a series.

### V. P. & GEN'L. MANAGER

Newly organized fire and casualty co. Southern state. Top position. Qualified man will select own staff for all departments. Must have knowledge of Und., Prod., Claims, etc. \$12,500.

### ASS'T. COMPTROLLER

Handle all accounting and collection procedures. I.B.M. system. Assist on annual statement and tax returns. Chicago. A.&H. Co. \$9,000.

Call or Write ED BOYDEN

CADILLAC EMPLOYMENT AGENCY  
220 S. State St. - WABash 2-4800 - Chicago, Ill.

## Loss Control Program Urged for Gas Industry

The problem facing the gas industry in obtaining adequate insurance coverage can be met with effective loss and safety programs within the industry itself, Alfred L. Dowden, supervising engineer of public utilities of Liberty Mutual, told the sales conference on industrial and commercial gas of American Gas Assn. at Boston.

He said the gas industry is having difficulty in obtaining adequate insurance, because of the inherent hazard, despite the fact that fatalities and fire

losses due to gas have steadily declined.

Mr. Dowden said the problem of loss control is most pressing in the field of public liability and that accidents involving the public have effects in the industry far beyond the immediate locale of the accidents.

George G. Brown, underwriter of Talbot, Bird & Co., has joined the faculty of the school of insurance of Insurance Society of New York, to instruct the ocean marine cargo class. He replaces George M. Marshall Jr. of Atlantic Mutual, who transferred to Chicago.

## Fire Loss in Home Tests Agent's Own Coverage

F. Chandler Moffatt, local agent at Westport, Conn., had the uncomfortable experience not long ago of having his home catch fire and undergo extensive damage. The estimate at the time was \$15,000, but probably will run more. The Moffatts have been living in rented property ever since.

Mr. Moffatt had plenty of coverage. He had a homeowners policy but had purchased additional contents cover to run the percentage up from 40% of the amount of cover on the house to more than 50%. He is now convinced that 40% isn't enough, that it might be for a \$10,000 dwelling, but should be increased as the value of the house increases.

He has extra living expense cover, and this may run close to \$2,000. He also had replacement coverage. He figures it will take the insurance company more than 100 years to get its money back from him at his present premium.

## Crewe Speaks at Meeting of Nassau County Agents

(CONTINUED FROM PAGE 10)  
conservation department of the Assn. of Casualty & Surety Companies to put on a campaign in his community to reduce automobile accidents?

Mr. Crewe said companies and agents' associations work closely on matters of state or national importance, but the moulding of public opinion at

the grass roots is primarily a problem for the local agent.

He also suggested that the agents follow up national advertising done by companies by calling the ads to the attention of prospective clients, using company furnished mats to put over locally some of the ideas or suggestions in the ads and by mailing copies of particularly good ads to those persons they have been soliciting for certain types of coverages.

Another way in which closer cooperation between the company and agent might well serve the insuring public is an attempt to get a greater spread of business. Greater efforts can be made to increase the production of such lines as bonds, burglary, glass and accident-family hospitalization.

Mr. Crewe explained that at various times the business has seen the large premium volume lines such as compensation and automobile liability go bad experiencewise, making it necessary to have a well-rounded account in order to cushion the effects of unfavorable experience in the large premium classes.

He also pointed out that it is important for an agent to give the insured a complete outline of his policy insuring clauses, conditions and exclusions.

It is important to emphasize what an agent is obtaining for his client in coverage and to tell him the things he cannot expect because they are specifically excluded. The latter may lead to additional sales, Mr. Crewe said.

**REMEMBER,  
WE'VE  
ADDED**



**Now...**



**PAN AMERICAN  
Fire & Casualty Company**

PAN AMERICAN INSURANCE COMPANY, Affiliate

EARL W. GAMMAGE, President

T. EARNEST GAMMAGE JR., Exec. V. P.

P. O. BOX 1662

HOUSTON 1, TEXAS

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SANTA ANA, CALIF. 92701  
SANTA ANA, CALIF. 92701

**MAXWELL ADJUSTMENT BUREAU**  
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Los Angeles 5 DUnkirk 2-2301

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**RAYMOND N. POSTON, INC.**  
Adjusters All Lines  
159 S. W. 8th Street  
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PALM BEACH  
16 North 1st St. Lake Worth  
KEY WEST  
Refer to Miami Office

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**JAMES J. HERMANN CO.**  
175 W. Jackson, Chicago  
HARRISON 7-9381  
Aurora, Ill. — Merchants Nat'l.  
Bank Bldg. — Aurora 6-5125  
Waukegan, Ill. — 238 N. Genesee St.  
MAJestic 3-0936  
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JOIlet 6-2613

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ADJUSTMENT SERVICE**  
619 E. Capitol Ave., Springfield, Illinois  
Branch Offices: Decatur — Mattoon —  
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Covering Central and Southern Illinois  
All Lines of Fire & Casualty

**JOHN H. HUNT & CO.**  
330 So. Wells St. Chicago 6, Ill.  
Investigators and Adjusters  
ALL CASUALTY LINES  
Serving Chicago & vicinity, Waukegan,  
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Waukegan Branch: 4 S. Genesee St.;  
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Since 1920  
**E. S. GARD & CO.**  
Chicagoland Casualty Claims  
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**MICHIGAN CLAIM SERVICE, INC.**  
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24 hour switchboard for entire state  
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**INSURANCE CLAIM SERVICE  
EVERY DAY - EVERYWHERE  
IN MINNESOTA**  
ARTHUR J. TAYLOR CO.  
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Serving Minnesota since 1940  
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**JOHN L. GARD AND ASSOCIATES**  
Insurance Adjusters  
All Lines  
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Allied Lines  
1542 Hanna Building  
Cleveland 15, Ohio  
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### OHIO (Con't.)

**LOVELL & COMPANY**  
Automobile — Casualty  
Inland Marine — Aviation  
Williamson Building  
Cleveland 14, Ohio  
Phone Main 1-5882

**THOMAS D. GEMERCHAK**  
Insurance Adjustments  
All Lines  
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Phones Off. Su. 1-2666 — Res. Fa. 1-9442

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**C. R. WACKENHUTH AND SON**  
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### UTAH-IDAHO

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WETZEL CO. UTAH-IDAHO**  
INSURANCE ADJUSTERS  
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Tandy & Wood Bldg. - Idaho Falls, Id.  
Sonnenkalb Bldg. - Pocatello, Idaho



## NAIA State Directors Hold Midyear Parley

(CONTINUED FROM PAGE 2)

ate counsel of NAIA, reported to state national directors. This was on top of the regular corporation tax.

The agency was able to avoid the personal holding company penalty levy by distributing all the income of the corporation, Mr. Hanson said. But the ruling goes far and raises serious tax questions about many incorporated agency arrangements. Under the specifics of the IRS ruling, an agency might be subject to the holding company penalty tax if it were accumulating reserves for bad times, say, or to pay for another agency it had purchased.

If the ruling were to stand, Mr. Hanson added, it would mean that a legitimate business device, incorporation, would no longer be available to many agencies.

Mr. Hanson said that NAIA believes all the equities are on the side of the agents. John F. Neville, general counsel, and Mr. Hanson outlined a course of action which they believe will resolve the problem and will, under authority of the executive committee, pursue that course vigorously.

There was a great deal of interest in Mr. Hanson's report.

A \$1,000 educational award program for local associations was announced by Ernest F. Young, Charlotte, N. C., chairman of the educational committee. Three cash awards—\$500, \$300, and \$200, will be provided for local boards which have been certified to the educational committee by their state association.

The program will run from June 1, 1955 to Sept. 1, 1956, and will cover activity by the local board membership in the standard course.

Associations of insurance women, Mr. Young explained, may enter the award program as the local board representative when such substitution is approved by the local board or the state association if there is no local board. The local association of insurance women is eligible to compete if approved by the state association.

Mr. Young said a system of point credits has been devised to give every local association an equal opportunity to win the top award. Included in the system is credit for each individual student taking the course, points for a percentage of members of the local board enrolled, points for students completing the standard course and earning a certificate of merit, as well as credit for students who take additional courses at a short course school sponsored by a state association.

A progress report on plans for the annual NAIA convention being held in conjunction with the annual meeting of California association in Los Angeles Oct. 3-5 was presented by convention manager George R. Cross. Although the hotels Statler and Biltmore will be used for rooms and sessions of the convention, the banquet and entertainment portions of the program will be conducted at the Hollywood Palladium.

An agency management work session is expected to be one of the principal features of the meeting, and consideration is also being given to the possibility of devoting one session to a discussion of the new dwelling forms.

Reservations already are being made. H. Earl Munz of Paterson, N. J., chairman of the property insurance

committee, reviewed the history of the independent filing of dwelling fire rates by North America, and the insurance department and court proceedings in New York.

Independent filings have assumed such proportions that they no longer are confined to a few specialty companies but have become a controversial issue, between NAIA members and companies which heretofore have operated in an orthodox manner, he said. He said he was not singling out North America for any reason except that its independent filing is fairly typical of companies engaged in this activity.

New York Fire Insurance Rating Org., he said, would undoubtedly move for reargument of the case before the New York appeals court.

The dues allocation committee believes that any sudden or drastic change in the present dues allocation formula would cause widespread confusion and unrest, Ralph D. Callister of Salt Lake City, chairman, reported. The committee believes the maximum

credit and debit percentage should be studied and its impact on state associations demonstrated. Changing from white population base to total population would create more inequities than it would eliminate, and a flat fee per member could be so drastic as to put in an inequitable position the small agent who is the backbone of NAIA, he said.

In his report for the public relations committee, John C. Stott of Norwich, N. Y., past NAIA president, said there should be a central clearing house of information on activities in the agency field. He called attention to the change in advertising of many insurers in recent weeks to emphasize services of the local agent. That is a fine thing, he declared, because what agents and their companies are selling is the services of the local agent. He urged agents to encourage companies in this endeavor.

Everett North of Billings, Mont., said agents in that state have lost the first round in their fight to bar Saskatchewan Guarantee & Fidelity but they are not going to quit. It has been decided to appeal the case to the state supreme court. It is a unique case and

there is no reason to turn back, he said.

L. P. McCord of Jacksonville, Fla., reported that Caisse Centrale de Reassurance of France has withdrawn its suit to compel the insurance department of Florida to grant it a license to operate. This was done without prejudice, which means it can be filed again. In the meantime, the state legislature has a bill to bar insurers owned or controlled by foreign governments. However, he said, Caisse Centrale has employed two attorneys who are legislators and members of the insurance committee.

Charles A. Dawson of Fargo reported that North Dakota has passed a law barring insurers owned or controlled by foreign governments.

### Automobile Claims Assn. Affair

Automobile Claims Assn. of New York city will hold its 25th annual affair May 26 at Henry Hudson hotel. The program will include a social hour, dinner and entertainment.

Nashville (Tenn.) Assn. of Insurance Women heard Miss Amalia Miller, public relations director of Underwriters Laboratories of Chicago, and saw a film "Danger Sleuths."

**MARKETS  
TO YOUR  
MEASURE**

**SPECIAL INLAND MARINE**

Outstanding among the new broader Inland Marine forms which we underwrite are the Manufacturers' Output and the Miscellaneous Block policies. Hard goods manufacturers are excellent prospects for the Output policy. Appliance and equipment dealers are among those who need the Block policy.

**GEO. F. BROWN & SONS**

175 WEST JACKSON BOULEVARD · CHICAGO

NEW YORK · LONDON · DENVER · LEXINGTON · ATLANTA

## Organize National Health, Welfare Fund Conference

National Conference of Health & Welfare Funds Trustees & Administrators, organized at a meeting in Chicago last month, will hold its first national convention in Chicago the third week in October. A constitution will be presented at that meeting, open to representatives of any health and welfare plan.

Organization of the conference at Chicago represented the culmination of a year's work on the part of a group of persons who first met in Akron a year ago and in Detroit in January to discuss whether representatives of health and welfare plans could benefit from meeting together and discussing common problems.

Charter officers are Carl A. Clemmer, Akron, president; Harold T. Albright, Toledo, vice-president; S. J. Tesaro, Detroit, treasurer, and M. A. Cornell Jr., Los Angeles, secretary. Mr. Clemmer is a trustee and the others are administrators. In addition there is an executive board composed of three union trustees, two employer trustees and six administrators, drawn from six states.

Spokesmen for the conference emphasized it would not seek to formulate policy on questions ordinarily within the scope of trustees' responsibility. It is intended to be a research and study group through which an administrator or group of trustees can learn of methods being used by plans in other states to minimize cost, improve efficiency and resolve difficult problems such as reciprocity and delinquency. Membership may be held by an individual trustee or administrator or a plan may hold membership under its name and designate a representative. Membership dues are \$50 per year. The secretary's office is located at 412 West 6th street, Los Angeles, 14.

## III. A&H Association Holds First Convention

(CONTINUED FROM PAGE 3)  
providing the spreading of a potential loss.

A federal health reinsurance fund would bring government into direct competition with the private reinsurance companies that are serving the market adequately. A federal reinsurance plan would contribute nothing to the financing of health care cost of those not presently eligible unless it included a government subsidy to make insurance available at lower premiums. Such a reinsurance plan would raise false hopes for a more rapid expansion of health insurance while contributing nothing to the realization of these hopes. There are other objections to the bill but the record shows conclusively that there is no need for federal legislation to stimulate the rapid expansion of voluntary health insurance. He reminded his audience that every time the government, federal or state, enters the field of private enterprise, especially a field where it is not necessary, government control enters and some freedom of action is sacrificed. Nothing has happened in the last two years to slow up or reverse the federal government's trend toward providing for the welfare of individual citizens. If this trend continues it is certain to affect private insurance and all of its branches.

John P. Hanna, managing director

Health & Accident Underwriters Conference, speaking on "Our Business", said the title was misleading since A&H is no longer "our business in restrictive sense. When you furnish this cover to as many as we have done, it is no longer strictly our business any more. A great many people are going to make it their business to know all about ours." Mr. Hanna opined that this is a good thing and it happened to the life insurance business to its own advantage. People want to know about A&H, scrutinize and criticize it, and they want the cover.

He pointed out that the A&H industry can be proud of the service it has performed in the last few years and if A&H had not done the job it has done, doctors today would now have socialized or government medicine. One of the easiest ways to measure the progress of A&H is to consider its growth premiumwise in the last few years, he said, and to look at the number of people covered. Also, in the last four or five years there has been progress in quality of the business in the form of broader cover, longer and higher limits and the stature of the business has been able to rise to the challenge of providing voluntary insurance.

Mr. Hanna credited the improvement in stature to competition between companies. He said if there is anything troublesome in the industry everyone gets together and works out the problem. As to complaints, careful underwriting by the agent eliminates almost all possibility of them, he said. All along the line the record has been good. It has been estimated that 15 million A&H claims have been paid each year," he said. "More than 99.8% were paid without any complaints or inquiry to any insurance department."

The closing speaker, Chester C. Elson, Mutual Benefit H. & A. of Omaha general agent at Waterloo, Ia., rounded off the meeting with a highly inspirational talk on "Words Are Your Weapons." He said words are the tools of the A&H underwriter, and used properly they'll give you anything you want." Everyone should have a sales presentation carefully worded and organized. It should be studied and its effective use learned. "Then you are on the way to success. Keep in mind that emotion sells more A&H or any other kind of insurance than any logic in the world."

## Anderson in New Continental Post

Carl A. Anderson has been named office manager and manager of the credit and collections department of Continental Casualty's Chicago branch of which Henry Lustgarten is resident vice-president. Mr. Anderson, who has been with Continental since January, was previously office and personnel manager for two large consumer mail order companies in Chicago.

## Correction on Greenway's Title

Through a typographical error it was erroneously reported that William L. Greenway was elected president of Pacific National Fire. Mr. Greenway actually was promoted to vice-president. The president is John L. Mylod. Mr. Greenway, with the company 20 years, will continue with headquarters at the eastern department offices at Philadelphia.

John E. Irland, treasurer, Newhouse & Hawley, Chicago, and Mrs. Irland departed April 20 aboard the Queen Elizabeth for a visit at Lloyds, London, England. They will travel to Sweden after concluding their visit with the firm's underwriters.



Discussing plans for the annual meeting of NAIA at Wichita midyear meeting: (left to right): Kenneth Ross of Arkansas City, Kan., vice-president of NAIA; Joseph A. Neumann, Jamaica, N. Y., president; Paul Wolcott Jr., San Diego, president of the California association, and Robert E. Battles, Los Angeles, NAIA executive committee-man.

## Cal. Certificate of Convenience Bill Hits Snags in House

Tough sledding has appeared for the bill sponsored by California Assn. of Insurance to eliminate the certificate of convenience from the agents' qualification law.

Although co-authored by 30 members of the California assembly, proposed amendments within the assembly finance and insurance committee have appeared which, in the opinion of agent officers threaten to revamp the original and to include undesirable provisions.

A subcommittee has been studying the bill and has proposed amendments to provide that anyone getting a certificate of convenience (fire and casualty) would have to be enrolled in a course of instruction covering all phases of the insurance business the license covers; and that a fee of \$100 be posted as a sort of "performance" deposit to guarantee good faith. If the applicant subsequently took the examination and passed it, the examination and the license fees would be taken out of the deposit and the rest returned. If he did not show up for the examination, or if he failed, the entire amount would be forfeited.

Donald Boyle, author of the California Assn. of Insurance agents bill to eliminate the certificate of convenience from the qualification laws, announced he would oppose recommended amendments to bill submitted by the subcommittee of the finance and insurance committee which studied the measure. Mr. Boyle succeeded in having the entire matter put over until Monday and the subcommittee will give copies of its several amendments to all members of parent committee. In the meanwhile the agents have started an organized effort in favor of the bill as originally written. Amendments destroy the aim of the association, say proponents including major insurance groups.

The finance and insurance committee amended a bill aimed to increase UCD benefits to \$50 bringing the figure down to \$40, a \$5 increase. Two other bills on UCD were dropped after this amendment.

## N. Y. Agents to Meet with No. America on Filings

(CONTINUED FROM PAGE 1)  
both meaningless. Insured can use a wooden fire plug and a kid on a bicycle with a pail of water to fulfill them, he said.

If National Board standards of fire protection, town grading, etc., are eliminated the incentive for communities to improve or even maintain present protection are gone, he declared.

Morton V. V. White of Allentown, Pa., asked what effect North America's filing had had on agents. He said an agent can place business with the company, ignore it or carry water on both shoulders. Rate deviation hasn't swept all premiums to the company in Pennsylvania but it hasn't lost any premiums by it either.

Robert E. Battles of Los Angeles said it was early to determine the effect in his state but the filing has been particularly effective in small towns where the rates for protected and unprotected are about the same. It has murdered the small town agent. In the big cities the rate for unprotected properties is about double that for protected.

All of the speakers who dealt with the subject of independent filings before the board treated the North America filings all reassured the audience they were not singling out North America for particular criticism but treating its filing as a typical example.

## Coal Operators Casualty Sold; New Officers to Be Elected at Chicago May 25

Holders of a majority of stock of Coal Operators Casualty of Greensburg, Pa., have accepted an offer to purchase the company made by a group of persons headed by James H. Jarrell, president of Old Republic Credit Life, and W. R. Stover, vice-president of Old Republic Credit.

A meeting of stockholders has been scheduled at Chicago for March 25 at which officers and directors will be elected and a new name selected for the company. It is understood the price paid per share was \$20, which compares with a book value of approximately \$15.

The purchasing group intends to diversify the operations of Coal Operators Casualty to all fire and casualty lines. Present company operations will continue under the current management headed by W. J. Stiteler Jr., president, with some additions, while the new lines of insurance will be under the direction of new officers.

A specialty company serving the coal industry, more than 80% of Coal Operators business in 1954 was workmen's compensation, this line accounting for \$4,679,000 of total earned premiums of \$5,787,682. Incurred losses last year were \$3,439,525. Assets at year-end amounted to \$8,792,124, loss reserve was \$4,859,058 and surplus \$1,562,314.

## Fireman's Fund to Sponsor Seminars on Dwelling Coverages

To help producers understand the varied homeowners package policies, Fireman's Fund is offering a series of sales seminars in the auditorium at 433 California street in San Francisco from 9 a.m. to noon starting April 27. The seminars will be designed to pass on sales ideas and production aids.



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